

Copy

Williamson
Medical Center

CN1512-067

BUTLER | SNOW

December 15, 2015

VIA HAND DELIVERY

Melanie M. Hill
Executive Director
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Williamson Medical Center, Certificate of Need Application for Magnetic Resonance Imaging

Dear Ms. Hill:

Enclosed, in triplicate, is the certificate of need application referenced above, along with a check for the filing fee in the amount of \$5,391.

The enclosed application presents the proposal by Williamson Medical Center ("WMC") to acquire a magnetic resonance imaging unit for its off-campus outpatient imaging department. We respectfully request that the enclosed application be considered for placement on the Agency's consent calendar. We believe the following points support consent calendar designation:

- WMC is an existing provider of magnetic resonance imaging services.
- The MRI at WMC is heavily utilized, and WMC clearly needs additional MRI capacity. The existing MRI at WMC is on track to provide over 4,650 scans in 2015.
- The MRI that WMC proposes to purchase costs less than \$2 million, so this MRI could be added at its main campus without a Certificate of Need.
- The only reason a Certificate of Need is required for the project is because of its location at the off-campus outpatient imaging department, which is only about 1,450 feet from the main campus.

*The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201*

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Melanie M. Hill
December 15, 2015
Page 2

Thank you for your attention to the enclosed application and the request outlined above.
Please let us know if you have any questions or if you need additional information.

Very truly yours,

BUTLER SNOW LLP



Dan H. Elrod

clw
Enclosures
cc: Julie Miller

Williamson Medical Center
P.O. Box 681600 • Franklin, TN 37068-1600

CHECK DATE: 12/11/15
CHECK NO: 411470

INVOICE NO.	DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET PAY
15-12 MRI CON	12/11/15	MRI CON FILING FEE	5391.00	0.00	5391.00
TOTALS >			5391.00	0.00	5391.00

VENDOR NO. A000957

TOTALS >

5391.00

0.00

5391.00

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P.O. Box 681600
Franklin, TN 37068-1600
(615) 435-5065

87-932
641

Franklin Synergy Bank
Tennessee

CHECK NO: 411470
VENDOR NO: A000957

DATE: 12/11/15

*****\$5391.00

FIVE THOUSAND THREE HUNDRED NINETY-ONE 00/100

PAY TO
THE
ORDER
OF:

TENNESSEE HEALTH SERVICES &
DEVELOPMENT AGENCY
500 DEADRECK STREET
NASHVILLE, TN 37242-0700

⑈411470⑈ ⑆064109329⑆ 2021137⑈

See Other Side For Opening Instructions

Form: 25595



P.O. Box 681600
Franklin, TN 37068-1600
(615) 435-5065

TENNESSEE HEALTH SERVICES &
DEVELOPMENT AGENCY
500 DEADRECK STREET
NASHVILLE, TN 37242-0700

WLP528511VBY (5/15/0)

Security features included. Details on back.

Williamson County Medical Center

Certificate of Need Application for Magnetic Resonance Imaging

December 15, 2015

1. **Name of Facility, Agency, or Institution**

Williamson County Hospital District d/b/a Williamson Medical Center

Name

4321 Carothers Parkway

Street or Route

Williamson

County

Franklin

City

TN

State

37067

Zip Code

2. **Contact Person Available for Responses to Questions**

Julie Miller

Name

Chief Operating Officer

Title

Williamson Medical Center

Company Name

jmillier@wmed.org

Email address

4321 Carothers Parkway

Street or Route

Franklin

City

TN

State

37067

Zip Code

Chief Operating Officer

Association with Owner

615-435-5162

Phone Number

615-435-7303

Fax Number

3. **Owner of the Facility, Agency or Institution**

Williamson County, Tennessee

Name

615-790-5700

Phone Number

1320 West Main Street

Street or Route

Williamson

County

Franklin

City

TN

State

37064

Zip Code

4. **Type of Ownership of Control (Check One)**

A. Sole Proprietorship

B. Partnership

C. Limited Partnership

D. Corporation (For Profit)

E. Corporation (Not-for-Profit)

Private Act attached as

Attachment A.4.

F. Government (State of TN or

Political Subdivision)

G. Joint Venture

H. Limited Liability Company

I. Other (Specify)

X

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

5. Name of Management/Operating Entity (If Applicable)

N/A

Name

Street or Route

County

City

State

Zip Code

6. Legal Interest in the Site of the Institution (Check One)

- | | | | |
|-------------------------|----------|--------------------|-------|
| A. Ownership | <u>X</u> | D. Option to Lease | _____ |
| B. Option to Purchase | _____ | E. Other (Specify) | _____ |
| C. Lease of _____ Years | _____ | | |

Deeds are attached as Attachment A.6.

7. Type of Institution (Check as appropriate--more than one response may apply)

- | | | | |
|--|----------|--|-------|
| A. Hospital (Specify) general acute care | <u>X</u> | I. Nursing Home | _____ |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty | _____ | J. Outpatient Diagnostic Center | _____ |
| C. ASTC, Single Specialty | _____ | K. Recuperation Center | _____ |
| D. Home Health Agency | _____ | L. Rehabilitation Facility | _____ |
| E. Hospice | _____ | M. Residential Hospice | _____ |
| F. Mental Health Hospital | _____ | N. Non-Residential Methadone Facility | _____ |
| G. Mental Health Residential Treatment Facility | _____ | O. Birthing Center | _____ |
| H. Mental Retardation Institutional Habilitation Facility (ICF/MR) | _____ | P. Other Outpatient Facility (Specify) | _____ |
| | | Q. Other (Specify) | _____ |

8. Purpose of Review (Check as appropriate--more than one response may apply)

- | | | | |
|--|----------|---|-------|
| A. New Institution | _____ | G. Change in Bed Complement | _____ |
| B. Replacement/Existing Facility | _____ | [Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation] | _____ |
| C. Modification/Existing Facility | _____ | H. Change of Location | _____ |
| D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify) MRI | <u>X</u> | I. Other (Specify) | _____ |
| E. Discontinuance of OB Services | _____ | | |
| F. Acquisition of Equipment | <u>X</u> | | |

9. **Bed Complement Data**

Please indicate current and proposed distribution and certification of facility beds.

		<u>Current Beds</u> <u>Licensed</u>	<u>*CON</u>	<u>Staffed</u> <u>Beds</u>	<u>Beds</u> <u>Proposed</u>	<u>TOTAL</u> <u>Beds at</u> <u>Completion</u>
A.	Medical	<u>64</u>	<u> </u>	<u>41</u>	<u> </u>	<u>64</u>
B.	Surgical	<u>59</u>	<u> </u>	<u>34</u>	<u> </u>	<u>59</u>
C.	Long-Term Care Hospital	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
D.	Obstetrical	<u>25</u>	<u> </u>	<u>20</u>	<u> </u>	<u>25</u>
E.	ICU/CCU	<u>20</u>	<u> </u>	<u>11</u>	<u> </u>	<u>20</u>
F.	Neonatal	<u>5</u>	<u> </u>	<u>3</u>	<u> </u>	<u>5</u>
G.	Pediatric	<u>12</u>	<u> </u>	<u>12</u>	<u> </u>	<u>12</u>
H.	Adult Psychiatric	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
I.	Geriatric Psychiatric	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
J.	Child/Adolescent Psychiatric	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
K.	Rehabilitation	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
L.	Nursing Facility (non-Medicaid Certified)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
M.	Nursing Facility Level 1 (Medicaid only)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
N.	Nursing Facility Level 2 (Medicare only)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
O.	Nursing Facility Level 2	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(dually certified Medicaid/Medicare)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
P.	ICF/MR	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Q.	Adult Chemical Dependency	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
R.	Child and Adolescent Chemical	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Dependency	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
S.	Swing Beds	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
T.	Mental Health Residential Treatment	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
U.	Residential Hospice	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	TOTAL	<u>185</u>	<u> </u>	<u>121</u>	<u> </u>	<u>185</u>

*CON-Beds approved but not yet in service

10. **Medicare Provider Number** 440029
Certification Type Hospital

11. **Medicaid Provider Number** 110029
Certification Type Hospital

12. **If this is a new facility, will certification be sought for Medicare and/or Medicaid?** N/A

13. **Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.**

Yes. The applicant is contracted with AmeriGroup, United Healthcare, BlueCare/TennCare Select, and Premier Behavioral Health.

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

NOTE: **Section B** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. **Section C** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

- I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

Ownership Structure. *Williamson County Hospital District d/b/a Williamson Medical Center ("WMC") was established by a Private Act of the Tennessee General Assembly in 1957. WMC is owned by Williamson County and is a 185-bed hospital located on Carothers Parkway in Franklin, TN. In 2008, WMC opened an outpatient imaging facility, known as Williamson Medical Center Outpatient Imaging, located approximately 1,450 feet from the northeast corner of WMC's main hospital campus in property owned by WMC. This facility is licensed and operated as a department of WMC.*

Proposed Services and Equipment.

Through this application, WMC seeks to purchase a second stationary, non-specialty Magnetic Resonance Imaging (MRI) unit to be placed at WMC Outpatient Imaging. WMC currently owns and operates one MRI unit within its main hospital building. The Applicant needs a second MRI unit to meet the needs of its patients for MRI services. The existing unit is heavily utilized, providing in excess of 4,000 MRI scans each of the last three years, and it is on track to provide about 4,650 scans in 2015. The addition of a second MRI will provide WMC with more MRI capacity so it can better serve its patients. Although this second MRI unit could be installed in the main hospital building without obtaining a certificate of need (WMC is already a provider of MRI services and the new MRI will cost less than \$2 million), WMC seeks to install the new MRI in its outpatient diagnostic imaging facility located close to the main hospital building, for reasons explained below.

Locating a second MRI in WMC's outpatient imaging facility, rather than within its main hospital building, will (1) enable WMC to provide its patients with easier access to MRI imaging services, and (2) better accommodate the need to provide MRI services more convenient to patients of WMC's Breast Health Center. As to the first point, the outpatient imaging facility has convenient surface parking adjacent to the building and the smaller structure is easier to navigate, particularly for elderly patients. In addition, the outpatient imaging facility is

dedicated to outpatient service, which eliminates the possibility that a scheduled outpatient MRI will be "bumped" by an emergency department patient or inpatient. As to the second point, WMC desires to place a second MRI unit in closer proximity to its Breast Health Center, which is adjacent to the imaging center. WMC plans to schedule breast MRI scans on the new MRI unit, which will complement the services of the Breast Health Center. In addition, the proposed MRI will be available for MRI-guided breast biopsies when requested by physicians. The high volume of procedures currently being performed on WMC's existing MRI, and the possibility that immediate access to an MRI may be required for emergency or inpatients, make it difficult to provide these services on the existing unit.

Staffing and Hours. *The additional clinical staff needed to operate the proposed new MRI will be two MRI technologists. The hours of operation for the outpatient imaging center are 7:00 AM to 5:00 PM, Monday through Friday.*

Service Area. *WMC considers Williamson and Maury counties as its primary service area for MRI services. Approximately 67% of MRI patients at WMC reside in Williamson or Maury counties. The remainder of WMC's MRI patients originate from multiple other Tennessee counties and out of state.*

Project Cost. *The estimated total cost of the project will be \$2,252,884.*

Funding and Financial Feasibility. *The project will be financed by cash reserves. A letter from the CFO of WMC is attached as Attachment C. Financial Feasibility 2.*

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

- A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

The Applicant proposes to purchase and place a second stationary, non-specialty MRI unit in its outpatient diagnostic imaging facility, located approximately 1,450 feet from WMC's main hospital building. The new MRI unit will require the build out of 1,388 square feet of interior space, (623 square feet for the MRI room and 715 square feet for equipment storage, a control room, an office and a room designated for future use).

Other than as described herein, no major renovations are necessary in order to install and operate an MRI unit at the imaging facility.

Necessary construction will entail building out previously unfinished interior shell space within the imaging facility and will include new metal stud framed walls, concrete floor slab, architectural woodwork, steel doors, drywall, interior finishes, specialty RF shielding and other similar work related specifically to the requirements of the MRI equipment, as well as mechanical, plumbing, electrical and fire protection systems. The construction for this project will cost \$409,554, which equates to \$295.00 per square foot.

- B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

N/A.

C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

1. Adult Psychiatric Services
2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Birthing Center
4. Burn Units
5. Cardiac Catheterization Services
6. Child and Adolescent Psychiatric Services
7. Extracorporeal Lithotripsy
8. Home Health Services
9. Hospice Services
10. Residential Hospice
11. ICF/MR Services
12. Long-term Care Services
- X 13. Magnetic Resonance Imaging (MRI)
14. Mental Health Residential Treatment
15. Neonatal Intensive Care Unit
16. Non-Residential Methadone Treatment Centers
17. Open Heart Surgery
18. Positron Emission Tomography
19. Radiation Therapy/Linear Accelerator
20. Rehabilitation Services
21. Swing Beds

WMC needs a second MRI unit in order to meet the demand for MRI services it is currently experiencing with its existing unit. The existing MRI located at its main hospital campus provides in excess of 4,000 scans per year, which substantially exceeds the State Health Plan criteria of 2,880 scans per year. Further, locating an MRI adjacent to the Breast Health Center will facilitate the availability of the MRI for breast scans and biopsies.

Currently, the MRI schedule for WMC outpatients has a consistent backlog of two days, making it difficult to add those outpatients needing a study scheduled faster than the two-day wait time, as requested by their physicians. Scheduled outpatient MRI cases are at risk of being "bumped" by emergency department patients or inpatients, and WMC must constantly balance patients' medical statuses and urgency levels in order to have the more urgent studies performed as quickly as possible.

D. Describe the need to change location or replace an existing facility. *N/A*

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$2.0 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

1. For fixed-site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:

1. Total cost (As defined by Agency Rule);
 2. Expected useful life;
 3. List of clinical applications to be provided; and
 4. Documentation of FDA approval.
- b. Provide current and proposed schedules of operations.

The MRI unit WMC desires to purchase will cost a total of \$1,877,523, including a maintenance contract for years two through five (year one is covered by the manufacturer's warranty). The expected useful life is five years. The clinical applications to be provided include scans of the head, neck, spine, breast, abdomen, pelvis, joints, prostate, blood vessels, and musculoskeletal region of the body, as well as MRI-guided breast biopsies. Documentation of FDA approval is attached as Attachment B.II.E.1.

2. For mobile major medical equipment: *N/A*
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost.
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.
3. Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

WMC will purchase the MRI unit at the quoted price of \$1,274,518.83. This quote is attached as Attachment B.II.E.3.

III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which **must include:**

1. Size of site (***in acres***);
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

The plot plan is attached as Attachment B.III.A.

- (B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

WMC's diagnostic imaging facility relevant to this application is easily accessible via private vehicle and public transportation. It is located in Franklin, TN, just off of Highway 96 and I-65, approximately 1,450 feet from the main hospital building. The Franklin Transit Authority provides public bus transportation to WMC eleven times each weekday and ten times on Saturdays, with stops at both the main campus and the imaging center. Additionally, each of the seven surrounding counties offers specialized transportation for patients going to WMC.

- IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: **DO NOT SUBMIT BLUEPRINTS**. Simple line drawings should be submitted and need not be drawn to scale.

The floor plans are attached as Attachment B.IV.

- V. For a Home Health Agency or Hospice, identify: N/A

1. Existing service area by County;
2. Proposed service area by County;
3. A parent or primary service provider;
4. Existing branches; and
5. Proposed branches.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.
 - a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

The State Health Plan defines the following standards and criteria for purchasing a non-specialty stationary MRI unit:

1. Utilization Standards for non-Specialty MRI Units.

- a. An applicant proposing a new non-Specialty stationary MRI service should project a minimum of at least 2160 MRI procedures in the first year of service, building to a minimum of 2520 procedures per year by the second year of service, and building to a minimum of 2880 procedures per year by the third year of service and for every year thereafter.

Response: The existing and projected MRI procedures provided at WMC support the need for a second MRI unit. WMC provided 4,082 MRI procedures in 2012, 4,141 procedures in 2013, 4,178 procedures in 2014, and is on track to provide approximately 4,648 MRI scans in 2015. WMC anticipates that it will provide 2,325 MRI scans on the new unit in Year 1, 2,450 MRI scans in Year 2, and 2,630 MRI scans in Year 3. These projections are based on conservative assumptions that MRI volumes will grow at 2% per year, that approximately 75% of outpatient MRI volumes will initially shift from WMC's main campus to the outpatient imaging center, and that by Year 3, 80% of outpatient MRIs will be performed at the imaging center.

- c. An exception to the standard number of procedures may occur as new or improved technology and equipment or new diagnostic applications for MRI units are developed. An applicant must demonstrate that the proposed unit offers a unique and necessary technology for the provision of health care services in the Service Area.

Response: Assuming MRI volumes at WMC continue to grow at 2% per year, utilization of the proposed unit will likely not reach the threshold of 2,880 until the 6th or 7th year of operation. This is later than contemplated by the criteria, but WMC believes the criteria are otherwise satisfied because the new unit will facilitate ability to provide breast imaging services and the additional MRI capacity will reduce or eliminate scheduling conflicts with emergency and inpatient cases.

The proposed unit offers a necessary technology for the provision of healthcare services in the service area through the availability of the proposed MRI for breast imaging and breast biopsies for general use on hospital outpatients, thereby reducing scheduling conflicts with emergency department patients and inpatients.

2. Access to MRI Units. All applicants for any proposed new MRI Unit should document that the proposed location is accessible to approximately 75% of the Service Area's population. Applications that include non-Tennessee counties in their proposed Service Areas should provide evidence of the number of existing MRI units that service the non-Tennessee counties and the impact on MRI unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity (if that data are available).

Response: WMC provides MRI services at its main campus, and its primary service area is composed of Williamson and Maury counties. The proposed location of the new MRI unit is approximately 1,450 feet from the main hospital building, and the new unit will be as accessible to the service area as the existing MRI.

Economic Efficiencies. All applicants for any proposed new MRI Unit should document that alternate shared services and lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.

Response: WMC does not believe there are any realistic alternatives that will provide the same patient benefits and that would be more cost-effective than the purchase and installation of a new MRI in its existing outpatient imaging center.

3. Need Standard for non-Specialty MRI Units.

A need likely exists for one additional non-Specialty MRI unit in a Service Area when the combined average utilization of existing MRI service providers is at or above 80% of the total capacity of 3600 procedures, or 2880 procedures, during the most recent twelve-month period reflected in the provider medical equipment report maintained by the HSDA. The total capacity per MRI unit is based upon the following formula:

Stationary MRI Units: $1.20 \text{ procedures per hour} \times \text{twelve hours per day} \times 5 \text{ days per week} \times 50 \text{ weeks per year} = 3,600 \text{ procedures per year}$

Mobile MRI Units: $\text{Twelve (12) procedures per day} \times \text{days per week in operation} \times 50 \text{ weeks per year}$. For each day of operation per week, the optimal efficiency is 480 procedures per year, or 80 percent of the total capacity of 600 procedures per year.

Based on the Agency's equipment registry, the combined average utilization of the 10 existing fixed MRI service providers in Maury and Williamson counties in 2014, was 2,551 per MRI unit, which is below 80% of the total capacity of 3,600 procedures, or 2,880 procedures. While the proposed MRI does not meet this service area need criteria, WMC believes approval is justified because (1) the additional unit could be added on its main campus without a certificate of need, but the outpatient imaging center location has patient advantages explained elsewhere in this application; (2) the existing MRI on WMC's main campus is heavily utilized, and WMC needs additional MRI capacity to meet patient demands; and (3) the additional MRI will facilitate the expanded availability of breast imaging services and complement the Breast Health Center.

4. Need Standards for Specialty MRI Units.

Response: N/A

5. Specialty Inventory for Specialty MRI Units and Non-Specialty MRI Units.

Response: N/A

6. Patient Safety and Quality of Care. The applicant shall provide evidence that any proposed MRI Unit is safe and effective for its proposed use.

- a. The United States Food and Drug Administration (FDA) must certify the proposed MRI Unit for clinical use.

Response: The FDA has certified that the proposed MRI unit is safe for clinical use. See Attachment B.II.E.1.

- b. The applicant should demonstrate that the proposed MRI Procedures will be offered in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.

Response: The architect's letter at Attachment C. Economic Feasibility 1 verifies compliance with applicable codes.

- c. The applicant should demonstrate how emergencies within the MRI Unit facility will be managed in conformity with accepted medical practice.

Response: WMC has protocols in place to address emergencies at its outpatient imaging center.

- d. The applicant should establish protocols that assure that all MRI Procedures performed are medically necessary and will not unnecessarily duplicate other services.

Response: WMC does not refer patients for MRI services. Patients are referred by physicians who have made independent determinations of medical necessity.

- e. An applicant proposing to acquire any MRI Unit or institute any MRI service, including Dedicated Breast and Extremity MRI Units, shall demonstrate that it meets or is prepared to meet the staffing recommendations and requirements set forth by the American College of Radiology, including staff education and training programs.

Response: WMC's existing MRI service is accredited by the American College of Radiology ("ACR"), and the proposed MRI will meet the staffing recommendations of the ACR staff education and training programs, and it will likewise be accredited by ACR.

- f. All applicants shall commit to obtain accreditation from the Joint Commission, the American College of Radiology, or a comparable accreditation authority for MRI within two years following operation of the proposed MRI Unit.

Response: The outpatient imaging facility is part of WMC, and WMC is accredited by the Joint Commission.

- g. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.

Response: The outpatient imaging center is a department of WMC, so a transfer agreement is not necessary.

- 7. The applicant should provide assurances that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.

Response: The Applicant assures that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.

- 8. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, "Every citizen should have reasonable access to health care." the HSDA may decide to give special consideration to an applicant:

- a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;
- b. Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program; or

- c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program; or
- d. Who is proposing to use the MRI unit for patients that typically require longer preparation and scanning times (e.g., pediatric, special needs, sedated, and contrast agent use patients). The applicant shall provide in its application information supporting the additional time required per scan and the impact on the need standard.

Response: The Applicant requests that special consideration be given to this application based on the following: (1) its existing MRI unit is heavily utilized and WMC clearly needs more MRI capacity; (2) the proposed MRI could be installed at WMC's main campus without a certificate of need, but the outpatient imaging center location is better for patients; and (3) the proposed MRI will facilitate the expanded availability of an MRI for breast scans and for MRI-guided breast biopsies. In addition, the additional MRI capacity will make it possible for WMC to schedule MRI cases that involve deep sedation (which require 2 hours) and to serve pediatric patients, including those who may require sedation and thus more time. Finally, as previously noted, WMC is contracted with all TennCare plans in the area.

STATE HEALTH PLAN – FIVE PRINCIPLES FOR ACHIEVING BETTER HEALTH

- Healthy Lives. *The project will improve the health of patients because it will provide WMC outpatients with improved, more convenient access to health care services, and it will facilitate the availability of additional MRI imaging services such as breast imaging.*
- Access to Care. *The applicant participates in all TennCare MCOs that operate in the area. In addition, as a public hospital, WMC is committed to serve all patients regardless of ability to pay.*
- Economic Efficiencies. *This project makes efficient use of an existing outpatient imaging facility.*
- Quality of Care. *WMC is Joint Commission-accredited, and it has a strong history of providing excellent care to its patients.*
- Health Care Workforce. *While the imaging center is not a clinical training site, WMC otherwise works with numerous local schools to provide clinical training opportunities for students, including nursing, pharmacy, paramedic, and anesthesia students. WMC provides*

competitive compensation to staff, and it does not anticipate any difficulty in recruiting and retaining staff for the proposed MRI.

- b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c).

Response: N/A

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

WMC's goal is to maintain modern facilities with high-quality services to meet the needs of its community. WMC is experiencing high demand for MRI procedures on its existing unit. It needs more MRI capacity to meet patient needs and to provide breast and other MRI services that require more time than routine MRI scans.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

WMC considers Williamson and Maury counties as its primary service area for MRI services. Approximately 67% of MRI patients at WMC reside in Williamson or Maury counties. The remainder of WMC's MRI patients originates from multiple other Tennessee counties and out of state.

A service area map is attached as Attachment C. Need 3.

4. A. Describe the demographics of the population to be served by this proposal.

	<i>Williamson County</i>	<i>Maury County</i>	<i>Service Area Total</i>	<i>State of TN Total</i>
<i>Total Population 2014</i>	<i>202,923</i>	<i>82,280</i>	<i>285,203</i>	<i>6,588,698</i>
<i>Total Population 2017</i>	<i>218,093</i>	<i>82,991</i>	<i>301,084</i>	<i>6,772,022</i>
<i>Total Population % Change</i>	<i>7.48%</i>	<i>0.86%</i>	<i>5.56%</i>	<i>2.78%</i>
<i>Target Population 2014*</i>	<i>23,028</i>	<i>12,350</i>	<i>35,378</i>	<i>981,984</i>
<i>Target Population 2017</i>	<i>26,549</i>	<i>13,613</i>	<i>40,162</i>	<i>1,072,143</i>

	<i>Williamson County</i>	<i>Maury County</i>	<i>Service Area Total</i>	<i>State of TN Total</i>
<i>Target Population % Change</i>	15.29%	10.23%	13.52%	9.18%
<i>Target Population 2017 as % of Total</i>	0.39%	0.20%	0.59%	15.83%
<i>Median Age</i>	37.9	38.4	38.15	37.6
<i>Median Household Income**</i>	\$89,779	\$45,336	\$67,557.5	\$44,298
<i>TennCare Enrollees 2014</i>	10,456	16,831	27,287	1,361,781
<i>TennCare Enrollees as percentage of total</i>	5.2%	20.5%	9.6%	20.7%
<i>Persons Below Poverty Level**</i>	11,566	12,671	30,089	1,159,610
<i>Persons Below Poverty Level as % of Total</i>	5.7%	15.4%	10.55%	17.6%

* Target population is the ages 65 and up.

** 2009-2013 Census data

- B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

WMC has a need for additional MRI capacity to meet patient demands. The proposed MRI at WMC's outpatient imaging center particularly addresses the special needs of women through use of the MRI to perform breast scans and MRI-guided breast biopsies. Although many breast biopsies are performed with the use of ultrasound or stereotactic biopsy equipment, there are instances when the area of interest cannot be visualized by any other imaging modality and must be performed by an MRI. These require longer scanning times, and it is very difficult to schedule them on WMC's existing MRI unit in the main hospital. Additionally the new MRI unit will serve low-income groups, as WMC is a contracted provider in all of the TennCare plans that operate in the area.

WMC has served the community for 58 years and will continue to meet community needs with the implementation of this project.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

Other facilities offering MRI services in the service area can be seen in the chart below. There are no approved but unimplemented CONs for hospitals in the service area.

MRI Utilization 2012 – 2014

County	2012	2013	2014
Williamson	14,791	14,587	14,067
Cool Springs Imaging (1 MRI Unit)	4,308	4,552	4,918
Premier Radiology Cool Springs (2 MRI Units)	3,683	3,151	3,094
Vanderbilt Bone and Joint (1 MRI Unit)	2,728	2,743	1,877
Williamson Medical Center (1 MRI Unit)	4,082	4,141	4,178
Maury	10,304	10,548	11,505
Maury Regional Medical Center (3 MRI Units)	6,083	6,109	6,606
Mid Tennessee Bone and Joint Clinic, PC (1 MRI Unit)	1,909	2,047	2,259
Mobile MRI Medical Services, LLC – Columbia (1 MRI Unit)	(1-2/week) 415	(1-0/week) 0	(1-0/week) 0

County	2012	2013	2014
Spring Hill Imaging Center (Maury Regional Imaging Center) (1 MRI Unit)	1,897	2,392	2,640

Source: HSDA Equipment Registry. In the course of preparing this application, WMC realized that the volumes it had reported to the HSDA are incorrect. The chart contains the correct numbers for WMC, and WMC has been in touch with Agency staff to correct the Registry numbers.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

Year	Procedures
2012	4,082
2013	4,141
2014	4,178
2015 (through 11/30/2015, annualized)	4,648
2017 (Year 1)	4,836
2018 (Year 2)	4,933

MRI volumes at WMC increased approximately 14% from 2012 to 2015. For conservative planning purposes, the application assumes future growth of 2% per year. The projected utilization of the proposed MRI in Year 1 is based on the assumption that approximately 75% of the outpatient MRIs, historically performed at the main campus, will shift to the outpatient imaging center. The projected utilization in Year 2 assumes a 5% increase in volume based on the additional shift of outpatients from the main campus and the capability to perform the breast procedures described in this application. The projected MRI utilization at WMC's main campus and its outpatient imaging center in Years 1 and 2 is as follows:

<u>Year</u>	<u>Main Campus</u>	<u>Imaging Center</u>	<u>Total</u>
2017	2,511	2,325	4,836
2018	2,483	2,450	4,933

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
 - All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
 - The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
 - The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
 - For projects that include new construction, modification, and/or renovation; **documentation must be** provided from a contractor and/or architect that support the estimated construction costs.

A letter from the architect is attached as Attachment C. Economic Feasibility 1.

PROJECT COSTS CHART

A. Construction and equipment acquired by purchase:		
1.	Architectural and Engineering Fees	\$ <u>45,000</u>
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	\$ <u>30,000</u>
3.	Acquisition of Site	\$ _____
4.	Preparation of Site	\$ _____
5.	Construction Costs	\$ <u>409,554</u>
6.	Contingency Fund	\$ <u>20,500</u>
7.	Fixed Equipment (Not included in Construction Contract)	\$ <u>1,867,523</u>
8.	Moveable Equipment (List all equipment over \$50,000)	\$ _____
9.	Other: Signage/Low Voltage	\$ <u>23,500</u>
B. Acquisition by gift, donation, or lease:		
1.	Facility (inclusive of building and land)	_____
2.	Building only	_____
3.	Land only	_____
4.	Equipment (Specify) _____	_____
5.	Other (Specify) _____	_____
C. Financing Costs and Fees:		
1.	Interim Financing	\$ _____
2.	Underwriting Costs	_____
3.	Reserve for One Year's Debt Service	_____
4.	Other (Specify) _____	_____
D.	Estimated Project Cost (A+B+C)	\$ <u>2,396,077</u>
E.	CON Filing Fee	\$ <u>5,391</u>
F.	Total Estimated Project Cost (D+E)	\$ <u>2,401,468</u>

2. Identify the funding sources for this project.

Please check the applicable item(s) below and briefly summarize how the project will be financed. (*Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.*)

- ☐ A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting.
- ☐ D. Grants--Notification of intent form for grant application or notice of grant award; or
- ☒ E. Cash Reserves--Appropriate documentation from Chief Financial Officer.
- ☐ F. Other--Identify and document funding from all other sources.

A letter from WMC's CFO, Paul Bolin, is attached as Attachment C. Economic Feasibility 2.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

As stated in the letter from the architect, the construction cost of \$409,554 for the buildout of 1,388 square feet of interior shell space for the MRI room in WMC's diagnostic imaging facility, which equates to \$295 per square foot, is consistent with projects of a similar type and size. The HSDA lists for hospital renovation construction a median cost of \$192.46 per square foot and \$297.82 per square foot in the 3rd Quartile.

4. Complete Historical and Projected Data Charts on the following two pages--**Do not modify the Charts provided or submit Chart substitutions!** Historical Data Chart represents revenue and expense information for the last *three* (3) years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the **Proposal Only** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in July.

	FY 2013	FY 2014	FY 2015
A. UTILIZATION DATA (Adjusted Patient Days)	85,009	82,629	88,623
B. REVENUE FROM SERVICES TO PATIENTS			
1 INPATIENT SERVICES	\$190,686,104	\$198,280,680	\$212,246,304
2 OUTPATIENT SERVICES	245,988,127	257,807,112	283,277,637
3 EMERGENCY SERVICES	23,419,364	24,085,332	27,501,804
4 OTHER OPERATING REVENUE	7,737,420	6,987,050	6,637,888
GROSS OPERATING REVENUE	\$467,831,015	\$487,160,174	\$529,663,633
C. DEDUCTIONS FROM GROSS OPERATING REVENUE			
1 CONTRACTUAL ADJUSTMENTS	289,053,990	306,955,122	338,130,709
2 PROVISION FOR CHARITY CARE	6,432,422	4,223,117	2,815,717
3 PROVISION FOR BAD DEBT	13,233,649	12,911,855	13,168,324
TOTAL DEDUCTIONS	308,720,061	324,090,094	354,114,750
NET OPERATING REVENUE	\$159,110,954	\$163,070,080	\$175,548,883
D. OPERATING EXPENSES			
1 SALARIES AND WAGES	77,218,614	81,792,907	80,059,672
2 PHYSICIANS SALARIES AND WAGES	3,009,146	2,407,906	4,001,531
3 SUPPLIES	35,282,027	37,051,851	38,643,707
4 TAXES	347,987	245,184	222,719
5 DEPRECIATION	10,974,240	10,663,948	10,682,804
6 RENT	545,348	524,074	216,817
7 INTEREST, OTHER THAN CAPITAL	1,406,941	1,238,211	1,270,928
8 MANAGEMENT FEES			
A. FEES TO AFFILIATES			70,000
B. FEES TO NON AFFILIATES			
9 OTHER EXPENSES	24,130,522	26,011,390	27,587,686
TOTAL OPERATING EXPENSES	\$152,914,825	\$159,935,471	\$162,755,864
E. OTHER REVENUE(EXPENSES)-NET	467,406	2,129,763	287,6476
NET OPERATING INCOME(LOSS)	\$6,663,535	\$5,264,372	\$15,669,495
F. CAPITAL EXPENDITURES			
1 RETIREMENT OF PRINCIPAL	\$3,792,395	\$5,890,434	\$7,304,183
2 INTEREST	1,406,939	1,048,783	1,285,440
TOTAL CAPITAL EXPENDITURES	5,199,334	6,939,217	8,589,623
NET OPERATING INCOME(LOSS)			
LESS CAPITAL EXPENDITURES	\$1,464,201	-\$1,674,845	\$7,079,872

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in July.

	YEAR 2017	YEAR 2018
A. UTILIZATION DATA -MRI PROCEDURES	2,325	2,450
B. REVENUE FROM SERVICES TO PATIENTS		
1 INPATIENT SERVICES	\$6,099,379	\$6,684,395
2 OUTPATIENT SERVICES		
3 EMERGENCY SERVICES		
4 OTHER OPERATING REVENUE		
GROSS OPERATING REVENUE	\$6,094,379	\$6,684,395
C. DEDUCTIONS FROM GROSS OPERATING REVENUE		
1 CONTRACTUAL ADJUSTMENTS	4,269,565	4,745,920
2 PROVISION FOR CHARITY CARE	32,836	35,986
3 PROVISION FOR BAD DEBT	153,565	168,294
TOTAL DEDUCTIONS	4,455,967	4,950,200
NET OPERATING REVENUE	\$1,643,412	\$1,734,195
D. OPERATING EXPENSES		
1 SALARIES AND WAGES	146,765	151,168
2 PHYSICIANS SALARIES AND WAGES		
3 SUPPLIES	24,679	27,307
4 TAXES		
5 DEPRECIATION	310,000	310,000
6 RENT		
7 INTEREST, OTHER THAN CAPITAL		
8 MANAGEMENT FEES		
A. FEES TO AFFILIATES		
B. FEES TO NON AFFILIATES		
9 OTHER EXPENSES	-	148,251
TOTAL OPERATING EXPENSES	\$481,444	\$636,725
E. OTHER REVENUE(EXPENSES)-NET		
NET OPERATING INCOME(LOSS)	\$1,161,968	\$1,097,469
F. CAPITAL EXPENDITURES		
1 RETIREMENT OF PRINCIPAL		
2 INTEREST		
TOTAL CAPITAL EXPENDITURES	0	0
NET OPERATING INCOME(LOSS)		
LESS CAPITAL EXPENDITURES	\$1,161,968	\$1,097,469

Historical Data – Other Expenses

	Year 2013	Year 2014	Year 2015
1. Professional Fees	\$1,638,942	\$1,561,313	\$2,021,367
2. Utilities	\$2,343,271	\$2,394,308	\$2,534,923
3. Purchased Services	\$6,653,848	\$7,225,517	\$7,820,825
4. Repair of Equipment	\$4,554,031	\$4,867,606	\$5,225,593
5. Insurance	\$1,148,019	\$1,190,984	\$1,171,567
6. Books, Dues Fees	\$568,366	\$516,326	\$571,781
7. Education and Travel	\$174,581	\$193,018	\$236,696
8. Equipment Leases	\$1,859,344	\$1,865,107	\$1,580,856
9. Collection Fees	\$1,190,430	\$1,250,576	\$1,378,885
10. Advertising	\$874,713	\$935,106	\$938,338
11. Minor Equipment	\$385,535	\$504,029	\$515,694
12. Other Miscellaneous	\$2,739,442	\$3,507,500	\$3,591,161
Total	\$24,130,522	\$26,011,390	\$27,587,686

Projected Data – Other Expenses

	Year 2017	Year 2018
1. Professional Fees	N/A	N/A
2. Other Expenses	N/A	N/A
3. Utilities	N/A	N/A
4. Purchased Services	N/A	N/A
5. Repair of Equipment (Service Contracts)	Warranty	\$148,251
6. Insurance	N/A	N/A
7. Books Dues Fees	N/A	N/A
8. Education and Travel	N/A	N/A
9. Staffing Services Agreement	N/A	N/A
Total		\$148,251

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

The average gross charge for MRIs at WMC in 2017 is projected to be \$2,623, the average deduction will be \$1,916 and the average net reimbursement will be \$707.

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

The current gross charges, average deduction and average reimbursement deductions for the five most commonly performed MRI scans are seen in the below chart. There will be no increases in charges as a result of the proposed project.

	Average Gross Charge	Average Deduction	Average Net Charge	Medicare Allowable
MRI Lumbar, Spine w/o Cont	\$2,270	\$1,758	\$512	\$156
MRI Brain Scan w/wo Contra	\$3,513	\$2,742	\$771	\$262
MRI Cervical, Spine w/o Cont	\$2,270	\$1,718	\$489	\$147
MRI Brain Scan – w/o Cont	\$2,270	\$1,753	\$517	\$149
MRI Lumbar Spine w/wo Contra	\$3,513	\$2,811	\$702	\$263

- B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Average Gross Charge

WMC	Premier Radiology, Cool Springs	Cool Springs Imaging	Vanderbilt Bone and Joint
\$2,623	\$1,943	\$1695	\$1669

See above chart in Question 6 for the Medicare allowable fee schedule.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

The proposed MRI unit will be well-utilized, and acquisition of it will have no effect on patient charges.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

WMC has sufficient cash flow to operate the proposed MRI until it achieves positive financial results in the 1st Year, as indicated in the Projected Data Chart.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

The facility has historically participated in both Medicare and Medicaid. WMC is contracted with AmeriGroup, United Healthcare, and BlueCare/TennCare Select.

The estimated revenues in the first year are as follows:

TennCare: \$164,683, 2.7% of total revenues

Medicare: \$2,506,845, 41.1% of total revenues.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

The audited financial statement for June 30, 2015 and 2014 are attached as Attachment C. Economic Feasibility 10.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

In view of the high and increasing demand of WMC's existing MRI, there is no practical alternative to purchasing a second MRI unit, as described in this application. Maintaining the single MRI is not an acceptable alternative because it would compromise WMC's ability to meet the future needs of the community. As previously discussed, WMC could purchase an MRI unit to place within its main hospital building without a CON because WMC already provides MRI services and the MRI unit will cost less than \$2 million; however, in view of the reasons to locate an MRI closer to the Breast Health Center and the patient care advantage discussed previously, locating a new MRI in WMC's diagnostic imaging facility, close to WMC's main campus, is the best alternative for patients.

- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

Rather than constructing a new building, the project will make efficient use of an existing facility.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

A list of relevant relationships is attached as Attachment C. Orderly Development 1.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

This project will only have a positive impact on the health care system. The demand for MRI services at WMC is high and continues to increase, and there is a clear need for a second MRI unit. As previously discussed, WMC could obtain a second MRI unit without a CON if it were purchasing the unit for its main hospital campus. WMC's decision to

place the unit at its outpatient imaging facility is based on its determination that the location will provide patients with better access to MRI services. Additionally, locating an MRI unit adjacent to WMC's Breast Health Center will complement the services there and facilitate the availability of breast imaging and MRI-guided breast biopsies. Lastly, a second MRI will make it possible to schedule non-routine MRI scans, such as sedation cases, that require extensive time. The addition of an MRI at WMC will not have a material effect on other providers, but will enable WMC to better serve patients who seek services at its facilities.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

The addition of a second MRI unit will add two (2) FTEs as follows.

Job Title	FTE	Annual Salary	Dept. of Labor Annual Median
MRI Technologist	2	\$58,240	\$50,688
Total	2	\$116,480	\$101,376

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

WMC has a history of successfully recruiting and retaining staff. Qualified professional staff are available in the area.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

The applicant is familiar with and understands all licensing and certification requirements of the State of Tennessee.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

WMC works with numerous local schools to provide clinical training opportunities for students, including nursing, pharmacy, paramedic, and anesthesia students.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

The applicant has reviewed and understands the licensure requirements of all the relevant state and federal agencies.

- (b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: *Tennessee Department of Health*

Accreditation: *The Joint Commission*

- (c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

WMC is currently licensed by the Tennessee Department of Health and accredited by the Joint Commission. The current license is attached as Attachment C. Orderly Development 7(c).

- (d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

The most recent survey is attached as Attachment C. Orderly Development 7(d).

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

WMC is unaware of any such final orders of judgment.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project

WMC is unaware of any such civil or criminal judgments.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

The Applicant will provide all required information to state and federal agencies.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- 1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**
- 2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the “good cause” for such an extension.**

AFFIDAVIT OF PUBLICATION

0000907474

Newspaper The Tennessean

State of Tennessee

Account Number NAS-540358

Advertiser BUTLER, SNOW, O'MARA, STEVENS

BUTLER, SNOW, O'MARA, STEVENS
150 3RD AVE S
NASHVILLE, TN 37201

TEAR SHEET
ATTACHED

V Perry

Sales Assistant for the above mentioned newspaper,

hereby certify that the attached advertisement appeared in said newspaper on the following dates:

✓

12/10/15

V Perry

Subscribed and sworn to before me this 10 day of Dec, 2015

Donna Walker

Notary Public



MY COMMISSION EXPIRES:
MAY 08, 2017

37040, in the Register's Office for WILSON County, Tennessee and to J. PHILLIP JONES AND/OR JESSICA D. BINKLEY, either of whom may act, appointed as Substitute Trustee in an instrument

Continued to next column

ANY, ANY PRIOR LIENS OR ENCUMBRANCES, LEASES, EASEMENTS AND ALL OTHER MATTERS WHICH TAKE PRIORITY OVER THE DEED OF TRUST UNDER WHICH

Continued to next column

Public Notices

0000917791

SAK Construction, LLC is seeking MWBE businesses for the City of Chattanooga, Project: Rehabilitation of Dobbs Branch 3 Sub-Basin, Project No. W-12-028-201. The Project bids: January 12th, 2016 1:00 pm CST 3:00pm EST. Pre-Bid Conference: December 17, 2015 9:00 CST 10:00 EST. Subcontractor opportunities are in the following areas: Sewer Cleaning and CCTV; Bypass Pumping; Erosion Control; Sanitary Service Renewals by Excavation; Sanitary Sewer Point Repairs by Excavation; Sanitary Service Renewals by Trenchless Lining; Sanitary Sewer Point Repairs by Trenchless Means; Asphalt and Concrete Surface Restoration; Cementitious and Epoxy Manhole Rehabs; Manhole Casting Replacements and Adjustments; Traffic Control. Plans and specifications may be downloaded from the supplier.nashville.gov website. Please contact Terry Adderhold at bidciple@sakcon.com with questions.

0000904987

SIXTH CIRCUIT JUDICIAL COUNCIL Office of the Circuit Executive FOR IMMEDIATE RELEASE

Pursuant to the Bankruptcy Amendments and Federal Judgeship Act of 1984, P.L. 98-353, the Regulations of the Judicial Conference of the United States for the Selection of United States Bankruptcy Judge Nominees, and the Procedures of the Sixth Circuit Judicial Council for the Selection of Bankruptcy Judge Nominees, the Sixth Circuit Judicial Council received applications from persons interested in appointment to the bankruptcy judge position in the Middle District of Tennessee, vice Keith M. Lundin.

A Merit Selection Panel considered all applications received and recommended the following six candidates to the Sixth Circuit Judicial Council for consideration for appointment to the bankruptcy judge vacancy:

Natalie M. Cox	Wilmington, Delaware
Paul G. Jennings	Nashville, Tennessee
Nancy B. King	Nashville, Tennessee
William L. Norton, III	Nashville, Tennessee
M. Kimberly Staggs	Nashville, Tennessee
Charles M. Walker	Nashville, Tennessee

The Sixth Circuit Judicial Council must narrow the list to three recommended candidates for this position. Under the Act, the final selection of a person for appointment as bankruptcy judge will be made by the United States Court of Appeals for the Sixth Circuit. Any person may now submit written comments for consideration by the Judicial Council and the Court of Appeals regarding the qualifications of the above-six final nominees. Such written comments must be received in the Office of the Circuit Executive, 503 Potter Stewart United States Courthouse, 100 East Fifth Street, Cincinnati, Ohio 45202, no later than December 21, 2015. Please contact Clarence Maddox, Circuit Executive, (513) 564-7200 for further information.

Date of Issuance: December 6, 2015

0000907474

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1001 et seq., and the Rules of the Health Services and Development Agency, that: Williamson Medical Center, a hospital owned by: Williamson County, Tennessee with an ownership type of governmental through the Williamson County Hospital District, intends to file an application for a Certificate of Need to initiate magnetic resonance imaging services at its existing outpatient imaging center located at 4601 Carothers Parkway, Suite 150, Franklin, Tennessee. The outpatient imaging center is licensed and operated as a department of Williamson Medical Center. The total project cost, including renovations to accommodate magnetic resonance imaging equipment, is estimated to be \$2,401,468. The project does not involve the addition of beds or the initiation of any other service for which a certificate of need is required.

The anticipated date of filing the application is: December 15, 2015.

The contact person for this project is Dan Elrod, Attorney, who may be reached at: Butler Snow LLP, 150 3rd Avenue South, Suite 1600, Nashville TN 37201, 615/651-6702.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
Andrew Jackson Building, 9th floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS INC. AS NOMINEE FOR SWBC MORTGAGE CORPORATION, EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, 9311 SAN PEDRO AVENUE, SUITE 100, SAN ANTONIO, TX 78216, in the Register's Office for MONTGOMERY County, Tennessee, and to J. PHILLIP JONES AND/OR JESSICA D. BINKLEY, either of whom may act, appointed as Substitute Trustee in an instrument of record in the Register's Office for MONTGOMERY County, Tennessee, to secure the indebtedness described WHEREAS, said Deed of Trust was last assigned to TENNESSEE HOUSING DEVELOPMENT AGENCY, its entire indebtedness having been declared due and payable by TENNESSEE HOUSING DEVELOPMENT AGENCY BY AND THROUGH ITS SERVICER AND AUTHORIZED AGENT, U.S. BANK NATIONAL ASSOCIATION, being the present owner/holder authorized agent, designee servicer of the holder/owner said indebtedness, has required foreclosure proceedings be instituted; and as provided in said Deed of Trust, I, PHILLIP JONES/JESSICA BINKLEY, will by virtue of power and authority vested in me as Substitute Trustee, THURSDAY, JANUARY 2016 AT 10:00 A.M., AT THE FRONT DOOR OF THE MONTGOMERY COUNTY COURTHOUSE, MILLENIUM PLAZA, CLARKSVILLE MONTGOMERY COUNTY TENNESSEE, sell to the highest bidder for cash, free from the equity of redemption homestead, and dower, and other exemptions which are presently waived, and subject to any unpaid taxes, if any, following described property MONTGOMERY County Tennessee, to wit: PROPERTY LOCATED IN THE COUNTY OF MONTGOMERY TENNESSEE: BEING REAL ESTATE SITUATED IN MONTGOMERY COUNTY, TENNESSEE, DESCRIBED AS FOLLOWS, WIT: BEING LOT NO. 126, ON 1 PLAN OF WHITE T RIDGE, SECTION 2B, SHOWN BY PLAT OF CORD IN PLAT G, PAGE 1 IN THE REGISTER'S OFFICE FOR MONTGOMERY COUNTY, TENNESSEE, TO WH PLAT REFERENCE HEREBY MADE FOR MORE COMPLETE DESCRIPTION. THIS BEING THE SAME REAL ESTATE CONVEYED GRANTOR BY DEED OF CORD IN ORBV 1592 P. 1704, IN THE REGISTER'S OFFICE MONTGOMERY COUNTY TENNESSEE. ENCUMBRANCES SUBJECT TO REAL ESTATE VALOREM TAXES THE CURRENT YEAR THEREAFTER. SUBJECT TO ALL TITLE MATTERS AND CONDITIONS SHOWN ON THE RECORDED PLAT OF RECORD PLAT G, PAGE 75, IN THE REGISTER'S OFFICE MONTGOMERY COUNTY TENNESSEE. SUBJECT TO RESTRICT

Continued to next column

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-1609(c): March, 25, 2016.

Assuming the CON approval becomes the final agency action on that date; indicate the number of days **from the above agency decision date** to each phase of the completion forecast.

Phase	DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
1. Architectural and engineering contract signed	30	3-2016
2. Construction documents approved by the Tennessee Department of Health	60	5-2016
3. Construction contract signed	30	5-2016
4. Building permit secured	45	5-2016
5. Site preparation completed	N/A	N/A
6. Building construction commenced	90	8-2016
7. Construction 40% complete	36	9-2016
8. Construction 80% complete	72	10-2016
9. Construction 100% complete (approved for occupancy)	100	11-2016
10. *Issuance of license	_____	
11. *Initiation of service	_____	<u>11-2016</u>
12. Final Architectural Certification of Payment	30	12-2016
13. Final Project Report Form (HF0055)	30	12-2016

*** For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

Dan H B Isd, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

[Signature]

SIGNATURE/TITLE

Sworn to and subscribed before me this 15th day of Dec., 2015 a Notary
(Month) (Year)

Public in and for the County/State of Tennessee.

Lorine Foster

NOTARY PUBLIC

My commission expires Sept. 10, 2018.
(Month/Day) (Year)



Attachment A.4

Private Act

STATEMENT OF AUTHORITY

The Williamson County Hospital District was established through a Private Act of the Tennessee Legislature in 1957. This Act authorized the formation of a not-for-profit hospital to be directed by a Board of Trustees appointed by the Williamson County Board of Commission. This Board of Trustees has full power and authority over the operations of the hospital and has delegated the daily management of the facility to the Chief Executive Officer subject to the Bylaws, Policies, Rules and Regulations of the Board of Trustees and to the employment agreement with the Chief Executive Officer.

Although the title to the buildings and land associated with the Williamson County Hospital District d/b/a Williamson Medical Center is held by Williamson County Government and all actions of the Board of Trustees regarding the liquidation or encumbrance of real property require the approval of the County Board of Commissioners, all authority for governance of the hospital is vested with the Board of Trustees who can act autonomous of the Board of Commissioners in the daily management of the facility.



**Williamson
Medical Center**

1957

County Hospital C-O-P-Y

Original
Private
established
Hosp.

PRIVATE CHAPTER NO. 107

HOUSE BILL NO. 360

By

J. O. Walker

AN ACT to create a non-profit hospital district for Williamson County, Tennessee to be known as the Williamson County Hospital; to define the boundaries of said district; to vest the authority for the operation and management of said District in a Board of Trustees; to name the initial Trustees; to provide a method for the election of successor Trustees by the Williamson County Quarterly Court; to fix the terms of office and compensation of initial and successor Trustees; to define the power, duties and responsibilities of the Boards of Trustees; to authorize the Williamson County Quarterly Court to appropriate funds to the said Williamson County Hospital from the general funds and to appropriate funds necessary to meet any future deficits arising in the operation and maintenance thereof; and to empower the Quarterly County Court of Williamson County to levy a Hospital District Tax sufficient to provide such funds, which tax shall be a special tax and shall be in addition to the levy for general County purposes.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, That a non-profit Hospital District, to be known and designated Williamson County

7/27 1957

IN THIS

C-O-P-Y

IN

CONFIDENTIAL

STATE OF TENNESSEE

DEPARTMENT OF STATE

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

I, JOE C. CARR, SECRETARY OF STATE OF THE
STATE OF TENNESSEE, DO HEREBY CERTIFY THAT THE ANNEXED IS
A TRUE COPY OF

HOUSE BILL NO. 360
CHAPTER NO. 107
PRIVATE ACTS OF 1957

THE ORIGINAL OF WHICH IS NOW ON FILE AND A MATTER OF
~~RECORD IN THIS OFFICE.~~

IN TESTIMONY WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY
OFFICIAL SIGNATURE AND BY ORDER OF THE GOVERNOR AFFIXED
THE GREAT SEAL OF THE STATE OF TENNESSEE AT THE DE-
PARTMENT IN THE CITY OF NASHVILLE, THIS 1 DAY OF MARCH
A.D. 1957.

(SEAL AFFIXED)

/S/ Joe C. Carr
Secretary of State

Hospital, is hereby created and established for and in behalf of Williamson County, Tennessee.

SECTION 2. That said Williamson County Hospital shall be comprised of and situated on the following described tract or parcel of land, together with all buildings and other improvements and appurtenances thereunto belonging and located in the 9th Civil District of Williamson County, Tennessee, described as follows, to-wit:

Beginning at a concrete monument in the northwest margin of Carter's Creek Pike, said Monument being 220 feet more or less, southwest of the intersection of the Northwest margin of Carter's Creek Pike and the west margin of Lynnhurst Avenue as measured along the northwest margin of Carter's Creek Pike; thence S. 52 deg. 20' west 441.65 feet along northwest margin of Carter's Creek Pike to a concrete monument; thence north 37 deg. 40' west 639.21 feet to a concrete monument; thence north 25 deg. 49' East 216.22 feet to a concrete monument on the south margin of Petway Street; thence South 87 deg. 08' East 405.24 feet along the South margin of Petway Street to a concrete monument; thence South 30 deg. 30' East 475.87 feet to the beginning, containing seven (7) acres, more or less.

And being part of the same property acquired by C. M. Warf, et ux under deed of Lewis H. Watkins et al, of record in Deed Book 68, page 67, in the Register's Office of Williamson County, Tennessee.

And being the same property conveyed to Williamson County by deed of C. M. Warf et ux of record in Deed Book 101, page 346, Register's Office of Williamson County, Tennessee.

SECTION 3. BE IT FURTHER ENACTED, That said Williamson County Hospital shall be controlled by a Board of Trustees, nine (9) in number, all of whom shall be citizens and residents of Williamson County, over the age of twenty-one (21) years, who shall serve without compensation (said office being honorary and not constituting a County office), the manner and for the terms hereinafter provided; provided that no member of said Board of Trustees shall be a physician or surgeon licensed to practice in this County and State; and provided that at no time shall there be more than four (4) members of such Board of Trustees, who are also members of the Quarterly County Court of Williamson County; and provided further that no member of the Board of Trustees and/or member of the Quarterly County Court of Williamson County shall profit financially by reason of the operation of the Williamson County Hospital.

SECTION 4. BE IT FURTHER ENACTED, That the initial members of the Board of Trustees shall be A. J. Maxwell, A. G. Overby and R. E. Hinson, who shall serve for a term of two (2) years, H. C. Meacham, Herbert McCall, and E. E. Byars, who shall serve for a

term of three (3) years, J. L. Ridley, Fred Cowart and R. P. Huff, who shall serve for terms of four (4) years. The County Judge of Williamson County shall be an ex officio member of such board. The terms of the office of said initial members shall begin on the second Monday in April, 1957. Thereafter the successor Trustees shall be elected by the Quarterly County Court of Williamson County, Tennessee for a period of three (3) years in chronological order in accordance with the expiration of the initial Trustees' offices, such elections to be held at the April term of the Court at which the initial Trustees and their successors' offices expire, with three (3) Trustees being elected at such terms so that at all times there shall be nine (9) active Trustees. In the event any one or more of the Trustees, so named and elected by the Quarterly County Court, refuses to serve, resigns or dies, while in office, they or their successors shall be named by the Quarterly County Court at the next regular session thereafter and such Trustee or Trustees shall hold office until the expiration of the term of the office to which he was appointed shall have expired.

SECTION 5. BE IT FURTHER ENACTED, That the Quarterly County Court shall be required to elect the successor Trustees from among six (6) nominees for the office, whose names have been submitted to the Quarterly

County Court by the remaining Trustees, not less than thirty (30) days prior to the expiration of the term of those Trustees, whose successors are to be elected; provided, however, the Quarterly County Court by a two-thirds vote of the quorum of the Court, may elect successor Trustees or a successor Trustee, not nominated by the remaining Trustees.

SECTION 6. BE IT FURTHER ENACTED, That any Trustee or Trustees whose term has expired shall continue to serve until his successor or successors shall have been elected in the manner herein provided. In the event of the death or resignation of a Trustee or Trustees prior to the expiration of his or their term, their successors shall be elected to the unexpired term in the same manner as the deceased or retiring Trustee was elected and in accordance with the provisions hereof. Any Trustee shall be eligible for re-election. The Board of Trustees shall elect a Chairman and Secretary from among its members; shall meet at least monthly, and more often if necessary; and shall keep complete, permanent and public records and minutes reflecting all business and transactions of the Board.

SECTION 6. BE IT FURTHER ENACTED, That the Board of Trustees be vested with full, absolute and complete authority and responsibility for the operation, management, conduct and control of the business and

control of the business and affairs of the Hospital District herein created; such operation, management, conduct and control, however, shall not be inconsistent with existing contractual obligations of said County. Said authority and responsibility shall include, but shall not be limited to, the establishment, promulgation and enforcement of the rules, regulations, and policy of the District, the upkeep and maintenance of all property, the administration of all financial affairs of the District, the execution of all contracts, agreements and other instruments, and the employment, compensation, discharge and supervision of all personnel.

SECTION 7. BE IT FURTHER ENACTED, That the Board of Trustees shall have authority to employ and fix the compensation of a hospital administrator, whose duties and responsibilities shall be determined and described by the Board of Trustees.

SECTION 8. BE IT FURTHER ENACTED, That said Board of Trustees shall annually prepare and submit to the Quarterly County Court a budget reflecting in detail all estimated receipts and disbursements of the hospital. Said budget shall be for the fiscal year beginning June 1, to May 31st, and shall be submitted by the Board no later than April 1st prior to the commencement of the fiscal year. The initial Board shall prepare and submit such budget as soon after the effective.

date of this act as may be practical, but, in any event, not more than sixty (60) days after the commencement of the terms of the members of said initial Board.

SECTION 9. BE IT FURTHER ENACTED, That the Board of Trustees shall prepare and submit to the Quarterly County Court at its regular Quarterly meeting of every fiscal year a complete financial statement and report, which, among other things shall reflect a comparison of actual receipts and disbursements with budgeted receipts and disbursements as of the dates of such financial statements.

SECTION 10. BE IT FURTHER ENACTED, That the Quarterly County Court of Williamson County is hereby authorized to appropriate to the Hospital District from the general funds of the County such sums as may be required to commence the operation of said District, and thereafter such sums as may be required to pay any deficits arising in the operation and maintenance of said District; and are authorized and empowered, also, to levy a tax sufficient for this purpose upon all taxable property within said County, which tax shall be a special tax and shall be in addition to the levy for general County purposes.

SECTION 11. BE IT FURTHER ENACTED, That this act shall have no effect unless the same shall have

been approved by two-thirds of the Quarterly County Court of Williamson County, Tennessee. Upon such approval this act shall become effective immediately, the public welfare requiring it; the approval or lack of approval by said Quarterly County Court shall be proclaimed by the presiding officer of said Court and shall be certified by him to the Secretary of State as promptly as is reasonably possible.

PASSED: February 21, 1957

/S/ James L. Bomar
SPEAKER OF THE HOUSE OF REPRESENTATIVES

/S/ Jared Maddux
SPEAKER OF THE SENATE

APPROVED:

2-27-57

/S/ Frank G. Clement
GOVERNOR

PRIVATE CHAPTER NO. 21

HOUSE BILL NO. 339

By Sir, Frensley, Chiles

Substituted for: Senate Bill No. 376

By Lashlee

AN ACT to amend Chapter 107 of the Private Acts of 1957, relative to the board of trustees of the Williamson County Hospital.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 107 of the Private Acts of 1957, is amended in Section 4 by deleting the section in its entirety and substituting instead, the following:

SECTION 4. The initial members of the board of trustees shall be A. J. Maxwell, A. G. Overby and R. E. Hinson, who shall serve for a term of two (2) years, H. C. Meacham, Herbert McCall and E. E. Byars, who shall serve for a term of three (3) years, J. L. Ridley, Fred Cowart and R. P. Huff, who shall serve for terms of four (4) years. The County Executive of Williamson County shall be an ex-officio member of such board. Additionally, the immediate past chief-of-staff of the medical staff of the Williamson County Hospital, (or a designee of the Williamson County Hospital medical staff if the chief-of-staff is unable to serve), shall be a voting ex-officio member of the board of trustees serving a two (2) year term which will commence on the date his term expires as chief-of-staff. The terms of the office of the initial members shall begin on the second Monday in April, 1957. Thereafter the successor trustees shall be elected by the county commission for Williamson County for a period of three (3) years in chronological order in accordance with the expiration of the initial trustees' offices, such elections to be held at the April term of the commission at which time the initial trustees and their successors' offices shall expire, with three (3) trustees being elected at such terms so that at all times there shall be nine (9) active trustees. In the event any one (1) or more of the trustees, so named and elected by the county commission, refuses to serve, resigns or dies, while in office, they or their successors shall be named by the county commission at the next regular session thereafter and such trustee or trustees shall hold office until the term of the office to which he was appointed shall have expired.

SECTION 2. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the Williamson County commission before September 1, 1983. Its approval or nonapproval shall be proclaimed by the presiding officer of the Williamson County commission and certified by him to the Secretary of State.

SECTION 3. For the purpose of approving or rejecting the provisions of this Act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 2.

Add Chief of Staff to the Board as a designee

Amendment #2

1987

HEALTH

WILLIAMSON COUNTY HOSPITAL

PRIVATE ACTS, 1957

CHAPTER NO. 107

SECTION 1. That a non-profit Hospital District, to be known and designated Williamson County Hospital, is hereby created and established for and in behalf of Williamson County, Tennessee,

SECTION 2. The Williamson County Hospital District shall be located within the geographic boundary lines established by the state of Tennessee for Williamson County, Tennessee.

As amended by: Private Acts of 1987, Chapter 2.

SECTION 3. The Williamson County Hospital District shall be controlled by a board of trustees, eleven (11) in number, all of whom shall be citizens and residents of Williamson County, over the age of twenty-one (21) years, who shall serve without compensation (this office being honorary and not constituting a county office), the manner and for the terms hereinafter provided; and provided that at no time shall there be more than four (4) members of such board of trustees who are also members of the Williamson County Board of Commissioners, and provided further that all members of the board of trustees and/or members of the Williamson County Board of Commissioners shall be subject to the Tennessee state statutes dealing with personal interests of officers.

As amended by: Private Acts of 1987, Chapter 2.

SECTION 4. The initial members of the board of trustees shall be A. J. Maxwell, A. G. Overby and R. E. Hinson, who shall serve for a term of two (2) years, H. C. Meacham, Herbert McCall and E. E. Byers, who shall serve for a term of three (3) years, J. L. Ridley, Fred Cowart and R. P. Huff, who shall serve for terms of four (4) years. The county executive of Williamson County shall be a voting ex-officio member of such board. Additionally, the immediate past chief-of-staff of the medical staff of the Williamson Medical Center, (or a designee of the Williamson County Medical Center medical staff if the chief-of-staff is unable to serve), shall be a voting ex-officio member of the board of trustees serving a two (2) year term which will commence on the date his term expires as chief-of-staff. The terms of the office of the initial members shall begin on the second Monday in April, 1957. Thereafter the successor trustees shall be elected by the county commission for Williamson County for a period of three (3) years in chronological order in accordance with the expiration of the initial trustees' offices, such elections to be held at the April term of the commission at which time the initial trustees and their successors' offices shall expire, with three (3) trustees being elected at such terms so that at all times there shall be nine (9) active trustees. In the event any one (1) or more of the trustees, so named and elected by the county commission, refuses to serve, resigns or dies, while in office, they or their successors shall be named by the

county commission at the next regular session thereafter and such trustee or trustees shall hold office until the term of the office to which he was appointed shall have expired.

As amended by: Private Acts of 1983, Chapter 21
Private Acts of 1987, Chapter 2.

SECTION 5. That the Williamson County Board of Commissioners shall be required to elect the successor trustees from among three (3) nominees for the office, one (1) nominee for each vacancy, whose names have been submitted to the Williamson County Board of Commissioners by the remaining trustees, not less than fifteen (15) days prior to the expiration of the term of those trustees, whose successors are to be elected; provided, however, the Williamson County Board of Commissioners may elect by a two-thirds (2/3) vote of the quorum of the commission, successor trustees or a successor trustee, not nominated by the remaining trustees.

As amended by: Private Acts of 1989, Chapter 6.

SECTION 6. That any Trustee or Trustees whose term has expired shall continue to serve until his successor or successors shall have been elected in the manner herein provided. In the event of the death or resignation of a Trustee or Trustees prior to the expiration of his or their term, their successors shall be elected to the unexpired term in the same manner as the deceased or retiring Trustee was elected and in accordance with the provisions hereof. Any Trustee shall be eligible for re-election. The Board of Trustees shall elect a Chairman and Secretary from among its members; shall meet at least monthly, and more often if necessary; and shall keep complete, permanent and public records and minutes reflecting all business and transactions of the Board.

SECTION 7. That the Board of Trustees be vested with full, absolute and complete authority and responsibility for the operation, management, conduct and control of the business and control of the business and affairs of the Hospital District herein created; such operation, management, conduct and control, however, shall not be inconsistent with existing contractual obligations of said County. Said authority and responsibility shall include, but shall not be limited to, the establishment, promulgation and enforcement of the rules, regulations, and policy of the District, the upkeep and maintenance of all property, the administration of all financial affairs of the District, the execution of all contracts, agreements and other instruments, and the employment, compensation, discharge and supervision of all personnel.

As amended by: Private Acts of 1987, Chapter 2.

SECTION 8. The board of trustees shall have authority to employ and fix the compensation of a hospital administrator, whose duties and responsibilities shall be determined and described by the Board of Trustees.

As amended by: Private Acts of 1987, Chapter 2.

SECTION 9. (a) The board of Trustees shall annually cause to be prepared and filed with the Williamson County Commission, for informational purposes, a budget reflecting all estimated receipts and disbursements of the corporation.

(b) The board of trustees shall cause to be prepared and filed with the Williamson County Commission for informational purposes, annual audited financial statements within one hundred twenty (120) days after the end of each fiscal year of the corporation.

As amended by: Private Acts of 1987, Chapter 2.

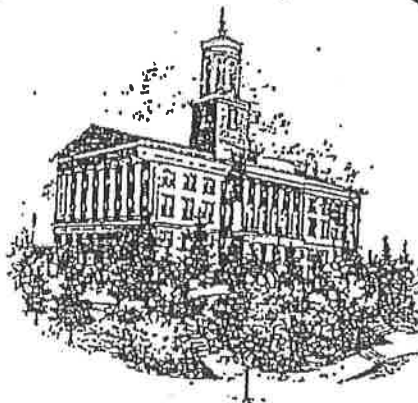
SECTION 10. That the Williamson County Commission is hereby authorized to appropriate to the Hospital District from the general funds of the County such sums as may be required to commence the operation of said District, and thereafter such sums as may be required to pay any deficits arising in the operation and maintenance of said District; and are authorized and empowered, also, to levy a tax sufficient for this purpose upon all taxable property within said County, which tax shall be a special tax and shall be in addition to the levy for general County purposes.

As amended by: Private Acts of 1987, Chapter 2.

SECTION 11. That this act shall have no effect unless the same shall have been approved by two-thirds of the Quarterly County Court of Williamson County, Tennessee. Upon such approval this act shall become effective immediately, the public welfare requiring it; the approval or lack of approval by said Quarterly County Court shall be proclaimed by the presiding officer of said Court and shall be certified by him to the Secretary of State as promptly as is reasonably possible.

Passed: February 21, 1957.

State of Tennessee



Department of State

To all to whom these Presents shall come, Greeting:
I, Riley C. Darnell, Secretary of State
of the State of Tennessee, do hereby certify that the annexed is a true
copy of

PRIVATE CHAPTER NO. 31

HOUSE BILL NO. 1322

PRIVATE ACTS OF 1993

the original of which is now on file and a matter of record in this office.

In Testimony Whereof, I have herewith
subscribed my Official Signature and by order of the Governor affixed
the Great Seal of the State of Tennessee at the Department in the
City of Nashville, this 22nd day
of March, A.D. 19 93



State of Tennessee

PRIVATE CHAPTER NO. 31

HOUSE BILL NO. 1322

By Representatives Callicott, Mike Williams

Substituted for: Senate Bill No. 1436

By Senator Jordan

AN ACT to amend Chapter 107 of the Private Acts of 1957, as amended by Chapter 21 of the Private Acts of 1983, and by Chapter 2 of the Private Acts of 1987, relative to the composition of the Board of Trustees of the Williamson County Hospital.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 107 of the Private Acts of 1957, as amended by Chapter 21 of the Private Acts of 1983, and by Chapter 2 of the Private Acts of 1987, is further amended by deleting Section 4 in its entirety and by substituting instead the following:

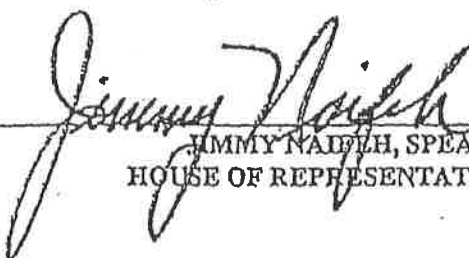
Section 4. The initial members of the Board of Trustees shall be A. J. Maxwell, A. G. Overby and R. E. Hinson, each of whom shall serve for a term of two (2) years; H. C. Meacham, Herbert McCall and E. E. Byars, each of whom shall serve for a term of three (3) years; and J. L. Ridley, Fred Cowart and R. P. Huff, who shall each serve for terms of four (4) years. The County Executive of Williamson County shall be an ex-officio voting member of such board. Additionally, the immediate past Chief-of-Staff of the medical staff of the Williamson Medical Center, or a designee of the Williamson County Medical Center medical staff if the Chief-of-Staff is unable to serve, shall be an ex-officio voting member of the Board of Trustees serving a two (2) year term which will commence on the date his term expires as Chief-of-Staff. The final member of the Board of Trustees shall be a member in good standing of the active medical staff of Williamson County Hospital. To select this member of the Board of Trustees the active medical staff of the hospital shall submit to the Board of Trustees a list of three (3) nominees for the position. The Board of Trustees shall then by recorded vote recommend one of the three nominees to the Williamson County Board of Commissioners for election for a three (3) year term. The terms of office of the initial members shall begin on the second Monday in April, 1957. Thereafter, the successor trustees shall be elected by the county commission for Williamson County for a period of three (3) years in chronological order in accordance with the expiration of the initial trustees' terms, such elections to be held at the May term of the commission at which time the initial trustees and their successors' terms shall expire, with three (3) trustees being elected at that time so that at all times there shall be nine (9) active successor trustees, the county executive, past Chief-of-Staff (or designee), and active medical staff member. In the event any one (1) or more of the trustees, so named and elected by the county commission, refuses to serve, resigns, or dies while in office, a successor or successors shall be named by the county commission at the next regular session and such trustee or trustees shall hold office until the term of the office to which he or she was appointed expires.

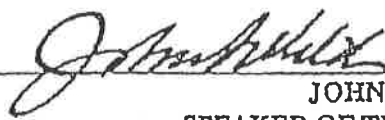
SECTION 2. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the Legislative Body of Williamson County. Its approval or nonapproval shall be proclaimed by the presiding officer of the Williamson County Commission and certified to the Secretary of State.

SECTION 3. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 2.

HOUSE BILL NO. 1322

PASSED: MARCH 11, 1993


JIMMY NADEAU, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 17th day of March 1993


NED McWHERTER, GOVERNOR

NOTICE OF RATIFICATION OF PRIVATE ACT

TO

SECRETARY OF STATE
Fifth Floor, James K. Polk Bldg.
Nashville, TN 37243-0305

Private Chapter No. 31, which is House
(House, Senate)

Bill No. 1322, of the 98th General Assembly, was
considered on May 10, 1993, and was:

approved X

disapproved _____

no action taken _____

Charles F. Foy
~~Presiding Officer of the Local~~
~~Registration Board~~ Williamson County Clerk
(or Chairperson of the County
Election Commission, if applicable)

Emboss Seal:
(if applicable)

Williamson
County or City

5/19/93
Date

DEPARTMENT OF REVENUE
Division of Publications
Suite 500 James K. Polk Building
Nashville, Tennessee 37243-0310
(615) 741-2650

1005-0000-0000
MAR 29 1993
WILLIAMSON CO.
EXECUTIVE'S OFFICE

March 22, 1993

The Honorable Robert A. Ring
County Executive, Williamson County
1320 W. Main
Suite 125
Franklin, TN 37064

Dear Mr. Ring:

Enclosed is a certified copy of Private Chapter No. 31 which is House Bill No. 1322 enacted by the 98th General Assembly of the State of Tennessee. Section 2 provides that this Act shall have no effect unless approved by a two-thirds vote of the Legislative Body.

As required by Tennessee Code Annotated, Section 8-3-201, et seq., the Secretary of State is to be notified of any action taken by the legislative body within 30 days of such action. Chapter No. 31 does not specify a deadline for ratification, but a failure to approve on or before December 1, 1993, will render it null and void.

A Notice of Ratification form is enclosed for your use in this regard.

Thank you for your attention to this matter.

Sincerely,

Riley C. Darnell
Riley C. Darnell

RCD:abp

Enclosures

RESOLUTION RATIFYING PRIVATE CHAPTER NO. 31
RELATIVE TO THE COMPOSITION OF THE
BOARD OF TRUSTEES FOR THE WILLIAMSON COUNTY HOSPITAL

WHEREAS, Chapter 107 of the Private Acts of 1957, as amended, establishes the composition of the Williamson County Hospital Board of Trustees; and,

WHEREAS, the Williamson County Board of Commissioners, meeting in regular session the 11th day of January, 1993, approved a resolution amending this Private Act to increase the representation of the medical community on the Board of Trustees of said hospital; and,

WHEREAS, said amendment has been enacted by the 98th General Assembly of the State of Tennessee but will have no effect unless approved by a two-thirds vote of the local legislative body;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Williamson County, Tennessee, meeting in regular session the 10th of May, 1993, hereby ratifies Private Chapter No. 31 (House Bill No. 1322), the public welfare requiring it.

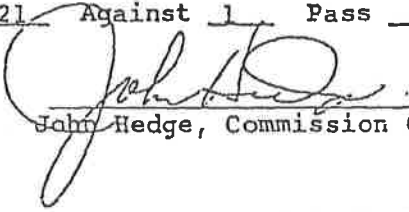

County Commissioner

COMMITTEES REFERRED TO & ACTION TAKEN:

<u>Public Health Committee</u>	For <u>5</u>	Against <u>0</u>
_____	For _____	Against _____
_____	For _____	Against _____

Commission Action Taken: For 21 Against 1 Pass _____ Out 1

Charlie Fox, Jr., County Clerk


John Hedge, Commission Chairman

Robert A. Ring-County Executive

Date

6
12/92
RESOLUTION TO AMEND CHAPTER NUMBER 107
OF THE PRIVATE ACT OF 1957

Don on file
WHEREAS, a Private Act was passed in 1957 establishing the Williamson County Hospital and the makeup of its governing body; and

WHEREAS, it has become desirable to increase the representation of the medical community of Williamson County on the Board of Trustees of said hospital.

NOW, THEREFORE, BE IT RESOLVED by the County Commission of Williamson County, Tennessee, in regular session convened January 11, 1992, that representatives of Williamson County, Tennessee, to the General Assembly of the State of Tennessee, be requested to secure the enactment of the following amendment to Chapter Number 107 of the Private Acts of 1957 as amended:

SECTION 4. The initial members of the board of trustees shall be A. J. Maxwell, A. G. Overby and R. E. Hinson, who shall serve for a term of two (2) years, H. C. Meacham, Herbert McCall and E. E. Byars, who shall serve for a term of three (3) years, J. L. Ridley, Fred Cowart and R. P. Huff, who shall serve for terms of four (4) years. The county executive of Williamson County shall be a voting ex-officio member of such board. Additionally, the immediate past Chief-of-Staff of the medical staff of the Williamson Medical Center, (or a designee of the Williamson County Medical Center medical staff if the Chief-of-Staff is unable to serve), shall be a voting ex-officio member of the board of trustees serving a two (2) year term which will commence on the date his term expires as Chief-of-Staff. The final member of the board of trustees shall be a member in good standing of the active medical staff of Williamson County Hospital. To select this member of the board of trustees the active medical staff of the hospital shall submit to the board of trustees a list of three (3) nominees for the position. The board of trustees shall then by recorded vote recommend one of the three nominees to the Williamson County Board of Commissioners for election for a three (3) year term. The terms of the office of the initial members shall begin on the second Monday in April, 1957. Thereafter the

successor trustees shall be elected by the county commission for Williamson County for a period of three (3) years in chronological order in accordance with the expiration of the initial trustees' offices, such elections to be held at the May term of the commission at which time the initial trustees and their successors' offices shall expire, with three (3) trustees being elected at such terms so that at all times there shall be nine (9) active successor trustees, the county executive, past Chief-of-Staff (or designee), and active medical staff member. In the event any one (1) or more of the trustees, so named and elected by the county commission, refuses to serve, resigns or dies, while in office, they or their successors shall be named by the county commission at the next regular session thereafter and such trustee or trustees shall hold office until the term of the office to which he was appointed shall have expired.

As amended by: Private Acts of 1983, Chapter 21
Private Acts of 1987, Chapter 2.

State

Seal

#4

mends Section 7
Specify Power of Board
Hospital Board

C. Charlie Wray's
request



Department of State

To all to whom these Presents shall come, Greeting:

I, Riley C. Darnell, Secretary of State
of the State of Tennessee, do hereby certify that the annexed is a true
copy of

PRIVATE CHAPTER NO. 53

HOUSE BILL NO. 1608

PRIVATE ACTS OF 1993

the original of which is now on file and a matter of record in this office.

In Testimony Whereof, I have hereunto
subscribed my Official Signature and by order of the Governor affixed
the Great Seal of the State of Tennessee at the Department in the
City of Nashville, this 3rd day
of May, A.D. 19 93



[Handwritten signature]

A.

State of Tennessee

PRIVATE CHAPTER NO. 63

HOUSE BILL NO. 1608

By Representatives Callicott, Mike Williams

Substituted for: Senate Bill No. 1595

By Senator Jordan

AN ACT to amend Chapter 107 of the Private Acts of 1957, as amended by Chapter 2 of the Private Acts of 1987, Chapter 6 of the Private Acts of 1989 and all other acts amendatory thereto, being the act creating the Williamson County Hospital District.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 107 of the Private Acts of 1957, as amended by Chapter 2 of the Private Acts of 1987, Chapter 6 of the Private Acts of 1989 and all other acts amendatory thereto, is further amended by deleting Section 7 in its entirety and substituting the following:

SECTION 7. The Board of Trustees shall be vested with full, absolute and complete authority and responsibility for the operation, management, conduct and control of the business and affairs of the Hospital District herein created. This authority and responsibility shall include, but shall not be limited to, the power:

- (a) to establish, promulgate and enforce the rules, regulations and policies of the Hospital District;
- (b) to grant or refuse medical staff privileges;
- (c) to upkeep and maintain all property;
- (d) to administer all financial affairs of the Hospital District;
- (e) to execute all contracts, agreements and other instruments except as otherwise provided in this Act;
- (f) to employ, compensate, discharge and supervise all personnel;

(g) to borrow money and issue its bonds or notes for the purpose of carrying out the business and affairs of the Hospital District; provided that all bonds and notes issued by the Hospital District shall be payable solely from the revenues of the Hospital District. Such bonds may be executed and delivered by the Hospital District at any time and from time to time, may be in such form and denomination and with such terms and maturities, may be in fully registered form or in bearer form registerable either as to principal or interest or both and bear such conversion privileges and be payable in such installments and at such time or times not exceeding forty (40) years from the date thereof, may be payable at such place or places, whether within or without the State of Tennessee, may bear interest at such rate or rates payable at such time

or times and in such place or places and evidenced in such manner, may be executed by the officers of the Hospital District, and may contain provisions not inconsistent herewith, all as shall be provided in the proceedings of the Board of Trustees whereunder such bonds or notes shall be authorized to be issued. If deemed advisable by the Board of Trustees, there may be retained in the proceedings under which any bonds or notes of the Hospital District are authorized to be issued an option to redeem all or any part thereof as may be specified in such proceedings, at such price or prices and after such notice or notices and on such terms and conditions as may be set forth in the proceedings and as may be briefly recited in the face of the bonds or notes, but nothing herein contained shall be construed to confer on the Hospital District any right or option to redeem any bonds except as may be provided in the proceedings under which they shall be issued. The bonds or notes of the Hospital District may be sold at public or private sale for such price and in such manner from time to time as may be determined by the Board of Trustees to be most advantageous, and the Hospital District may pay all expenses, premiums and commissions which its Board of Trustees may deem necessary or advantageous in connection with the issuance thereof. Any bonds or notes of the Hospital District at any time outstanding may at any time and from time to time be refunded by the Hospital District by the issuance of its refunding bonds or notes in such amount as the Board of Trustees may deem necessary. The Board of Trustees of the Hospital District shall also have such additional powers with respect to the issuance of bonds and notes as shall be set forth in Parts 1, 3 and 10 of Chapter 21, Title 9, Tennessee Code Annotated, relating to providing security for such bonds or notes and covenanting with the holders of such bonds or notes, and the holders of such bonds or notes shall have such remedies as shall be provided therein and the effectiveness and priority of pledges and liens and the exemption from taxation shall be governed by the provisions thereof; provided, however, that the Board of Trustees of the Hospital District shall not have the power to borrow money and issue its bonds or notes pursuant to this subsection (g) unless the Board of Commissioners of Williamson County has adopted a resolution approving such action;

(h) to mortgage or pledge any or all of the properties of the Hospital District, whether then owned or thereafter acquired, and to pledge the revenues and receipts of the Hospital District as security for the payment of its bonds or notes and any agreements made in connection therewith; provided, however, that the Board of Trustees shall not have the power to mortgage any land owned or operated by the Hospital District; and provided further, that the Board of Trustees of the Hospital District shall not have the power to mortgage or pledge any properties of the Hospital District pursuant to this subsection (h) unless the Board of Commissioners of Williamson County has adopted a resolution approving such action;

(i) to acquire, whether by purchase, gift or lease, and to improve, maintain, equip and furnish all real and personal properties which the Board of Trustees may deem necessary in connection with the business and affairs of the Hospital District;

(j) to grant easements with respect to all properties which the Hospital District owns or operates;

(k) to sell or lease to others any real or personal properties which the Hospital District owns or operates; provided, however, that the Board of Trustees shall not have the power to sell any real property owned or operated by the Hospital District and shall not have the power to lease substantially all of the facilities owned or operated by the Hospital District to one or more other entities in a single transaction or a series of related transactions;

(l) to sue and be sued;

(m) to acquire shares of stock in any corporation and enter into joint ventures and partnerships with other entities; provided that such action does not jeopardize the tax-exempt status of Williamson County or the Hospital District and provided further that such corporation, joint venture or partnership is engaged in providing health care services to residents of Williamson County, Tennessee, or services related to the provision of such health care services; and provided, however, that any obligation incurred by the Hospital District as a result of its being a stockholder, joint venturer or partner shall be payable solely out of revenues received by the Hospital District; and,

(n) to guarantee loans or obligations of other entities; provided, however, that any such guarantee shall be payable solely out of the revenues received by the Hospital District.

Notwithstanding any other provision of the Act, as amended, the Board of Trustees shall not have the power to enter into any agreement entrusting to any other entity management of all or substantially all of the facilities owned or operated by the Hospital District.

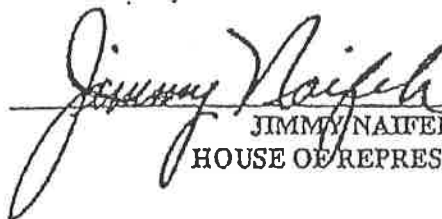
SECTION 2. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect with the invalid provision or application, and to that end the provisions of the Act, as amended, are declared to be severable.

SECTION 3. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Williamson County before October 1, 1993. Its approval or nonapproval shall be proclaimed by the presiding officer of the Williamson County Commission and certified by him to the Secretary of State.

SECTION 4. For the purpose of approving or rejecting the provisions of this Act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 3.

HOUSE BILL NO. 1608

PASSED: APRIL 14, 1993


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 19th day of APRIL 1993


NED McWHERTER, GOVERNOR

RESOLUTION RATIFYING PRIVATE CHAPTER NO. 63
RELATIVE TO THE BOARD OF TRUSTEES OF THE
WILLIAMSON MEDICAL CENTER

WHEREAS, Williamson County created a hospital district in 1957;
and,

WHEREAS, there have been numerous changes in the Private Acts of
1957 (Chapter 107) of Williamson County; and,

WHEREAS, the Board of Commissioners requested an amendment to this
Private Act in Resolution No. 11-92-14; and,

WHEREAS, said amendment has been enacted by the 98th General
Assembly of the State of Tennessee but will have no
effect unless approved by a two-thirds vote of the local
legislative body;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of
Williamson County, Tennessee, meeting in regular session
the 10th day of May, 1993, hereby ratifies Private
Chapter No. 63 (House Bill No. 1608), the public
welfare requiring it.

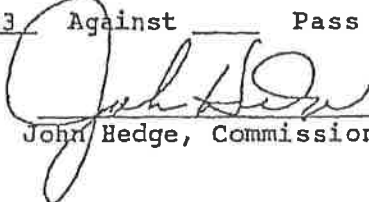

County Commissioner

COMMITTEES REFERRED TO & ACTION TAKEN:

_____	For _____	Against _____
_____	For _____	Against _____
_____	For _____	Against _____

Commission Action Taken: For 23 Against _____ Pass _____

Charlie Fox, Jr., County Clerk


John Hedge, Commission Chairman

Robert A. Ring-County Executive

Date

RESOLUTION RATIFYING PRIVATE CHAPTER NO. 63
RELATIVE TO THE BOARD OF TRUSTEES OF THE
WILLIAMSON MEDICAL CENTER

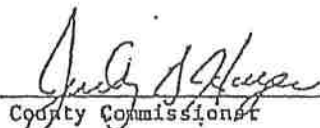
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WHEREAS, there have been numerous changes in the Private Acts of
1957 (Chapter 107) of Williamson County; and,

WHEREAS, the Board of Commissioners requested an amendment to this
Private Act in Resolution No. 11-92-14; and,

WHEREAS, said amendment has been enacted by the 98th General
Assembly of the State of Tennessee but will have no
effect unless approved by a two-thirds vote of the local
legislative body;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of
Williamson County, Tennessee, meeting in regular session
the 10th day of May, 1993, hereby ratifies Private
Chapter No. 63 (House Bill No. 1608), the public
welfare requiring it.

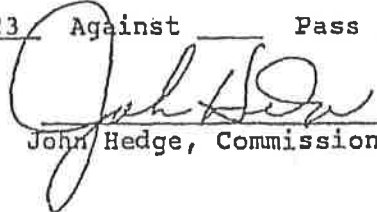

County Commissioner

COMMITTEES REFERRED TO & ACTION TAKEN:

_____	For _____	Against _____
_____	For _____	Against _____
_____	For _____	Against _____

Commission Action Taken: For 23 Against _____ Pass _____

Charlie Fox, Jr., County Clerk


John Hedge, Commission Chairman

Robert A. Ring-County Executive

Date

State of Tennessee

PRIVATE CHAPTER NO. 63

HOUSE BILL NO. 1608

By Representatives Callicott, Mike Williams

Substituted for: Senate Bill No. 1595

By Senator Jordan

AN ACT to amend Chapter 107 of the Private Acts of 1957, as amended by Chapter 2 of the Private Acts of 1987, Chapter 6 of the Private Acts of 1989 and all other acts amendatory thereto, being the act creating the Williamson County Hospital District.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

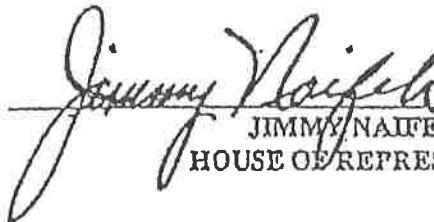
SECTION 1. Chapter 107 of the Private Acts of 1957, as amended by Chapter 2 of the Private Acts of 1987, Chapter 6 of the Private Acts of 1989 and all other acts amendatory thereto, is further amended by deleting Section 7 in its entirety and substituting the following:

SECTION 7. The Board of Trustees shall be vested with full, absolute and complete authority and responsibility for the operation, management, conduct and control of the business and affairs of the Hospital District herein created. This authority and responsibility shall include, but shall not be limited to, the power:

- (a) to establish, promulgate and enforce the rules, regulations and policies of the Hospital District;
- (b) to grant or refuse medical staff privileges;
- (c) to upkeep and maintain all property;
- (d) to administer all financial affairs of the Hospital District;
- (e) to execute all contracts, agreements and other instruments except as otherwise provided in this Act;
- (f) to employ, compensate, discharge and supervise all personnel;
- (g) to borrow money and issue its bonds or notes for the purpose of carrying out the business and affairs of the Hospital District; provided that all bonds and notes issued by the Hospital District shall be payable solely from the revenues of the Hospital District. Such bonds may be executed and delivered by the Hospital District at any time and from time to time, may be in such form and denomination and with such terms and maturities, may be in fully registered form or in bearer form registerable either as to principal or interest or both and bear such conversion privileges and be payable in such installments and at such time or times not exceeding forty (40) years from the date thereof, may be payable at such place or places, whether within or without the State of Tennessee, may bear interest at such rate or rates payable at such time

HOUSE BILL NO. 1608

PASSED: APRIL 14, 1993


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 19th day of APRIL 1993


NED McWHERTER, GOVERNOR

Amendment #5

*10/28/93
Board
Minutes*

*Establish official
ppo's*

RESOLUTION
AMENDING THE 1957 HOSPITAL PRIVATE ACT
FOR WILLIAMSON COUNTY, TENNESSEE

WHEREAS, Williamson County created a hospital district in 1957;
and

WHEREAS, since that time, there have been numerous changes in the
medical field, thus requiring revisions to the Private Acts of
1957 (Chapter 107) of Williamson County; and

WHEREAS, it has become necessary to make additional revisions to
the Private Act for purposes of facilitating the provision of
efficient, quality health care for citizens and employees in
Williamson County;

NOW THEREFORE, be it resolved that the Private Acts of 1957 of
Williamson County, Chapter 107, Section 7, be amended, as more
specifically described below:

AN ACT to amend the Private Acts of 1957 of Williamson County,
Chapter 107, as amended by Chapter 2 of the Private Acts of 1987,
Chapter 6 of the Private Acts of 1989, Chapter 63 of the Private
Acts of 1993 and all other acts amendatory thereto, being the Act
creating the Williamson County Hospital District:

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION I:

Chapter 107 of the Private Acts of 1957, as amended, is further
amended by adding the following provision to Section 7:

(o) to establish and operate integrated delivery systems
through which it may contract with other health care
providers, governmental entities and third party payors to
coordinate the delivery of health care services, and to
manage utilization and costs for such services, for the
residents of Williamson County; proprietors, owners and
employees of businesses and not for profit organizations
located in Williamson County, and employees of governmental
entities in Williamson County.

SECTION II:

If any provision of Chapter 107 of the Private Acts of 1957, as
amended, or the application thereof to any person or circumstance
is held invalid, such invalidity shall not affect other
provisions or applications of the Act which can be given effect
with the invalid provisions or application, and to that end the
provisions of the Act, as amended, are declared to be severable.

SECTION III:

This Act shall have no effect unless it is approved by a two-thirds vote of the County Legislative Body of Williamson County before Its approval or nonapproval shall be proclaimed by the presiding officer of the Williamson County Commission and certified by him to the Secretary of State.

SECTION IV.

For the purpose of approving or rejecting the provisions of this Act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section III>

Commissioner



State of Tennessee
Department of State
Division of Publications
Suite 500 James K. Polk Building
Nashville, Tennessee 37243-0310
(615) 741-2650

RECEIVED

MAY 5 1993

WILLIAMSON CO.
EXECUTIVE'S OFFICE

May 3, 1993

The Honorable Robert A. Ring
County Executive, Williamson County
1320 W. Main
Suite 125
Franklin, TN 37064

Dear Mr. Ring:

Enclosed is a certified copy of Private Chapter No. 63 which is House Bill No. 1608 enacted by the 98th General Assembly of the State of Tennessee. Section 3 provides that this Act shall have no effect unless approved by a two-thirds vote of the legislative body before October 1, 1993.

As required by Tennessee Code Annotated, Section 8-3-201, et seq., the Secretary of State is to be notified of any action taken by the governing body within 30 days of such action.

A Notice of Ratification form is enclosed for your use in this regard.

Thank you for your attention to this matter.

Sincerely,


Riley C. Darnell

RCD:abp

Enclosure

Consistent with
those reported
by the General
Assembly
to select other
districts
in the State

11 Minutes 10/95

STATE OF TENNESSEE

Private Chapter No. _____

House Bill No. _____

By Representatives _____

Substituted for: _____

By: _____

AN ACT to amend Chapter 107 of the Private Acts of 1957, as amended by Chapter 2 of the Private Acts of 1987, Chapter 6 of Private Acts of 1989, Chapter 63 of the Private Acts of 1993, and all other acts amendatory thereto, being the Act creating the Williamson County Hospital District.

WHEREAS, the General Assembly hereby finds that the demand for hospital, medical and health care services is rapidly changing as is the manner in which such services are purchased and delivered; that the market for hospital and health care services is becoming increasingly competitive; and that hospital and health care providers need flexibility to respond to changing conditions by developing efficient and cost-effective methods to provide for hospital, medical and health care needs. The General Assembly further finds that public hospitals are presently at a competitive disadvantage, and that significant investments in the public assets of Hospital Districts could be jeopardized by the inability to compete with private hospitals because of legal constraints upon the scope of their operations and limitations upon the power granted to public hospitals under existing law.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 107 of the Private Acts of 1957, as amended by Chapter 2 of the Private Acts of 1987, Chapter 6 of the private Acts of 1989, Chapter 63 of the Private Acts of 1993, and all other acts amendatory thereto, is amended by adding the following provisions to Section 7:

(p) To participate as a shareholder in a corporation, as a joint venturer in a joint venture, as a general partner in a general partnership, as a limited partner in a limited partnership or a general partnership, as a member in a nonprofit corporation or as a member of any other lawful form of business organization, which provides hospital, medical or health care or engages in any activity supporting or related to the exercise of any power granted to the Hospital District;

(q) To make or arrange for contributions to capital and other debt and equity financing for the activities of any corporation of which such authority is the sole shareholder or sole member and any other obligations for such purposes;

(r) To elect all or any of the members of the Board of Directors of any nonprofit corporation of which the Hospital District is a member and has the power to so elect under the nonprofit corporation charter and bylaws;

(s) To create, establish, acquire, operate or support subsidiaries and affiliates, to assist such Hospital District in fulfilling its purposes;

(t) To create, establish or support nonaffiliated nonprofit corporations or other lawful business organizations which operate and have as their purposes the furtherance of such Hospital District's purposes;

(u) Without limiting the generality of the preceding subdivisions (s) and (t), to accomplish and facilitate the creation, establishment, acquisition, operation or support of any such subsidiary, affiliate, nonaffiliated corporation or other lawful business organization, by means of acquisition or disposal of assets, leases of real or personal property, or guarantees of indebtedness of such subsidiaries and affiliates;

(v) To indemnify any person (including for purposes of this subdivision such person's estate and personal representatives) made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that he or she is or was a Board member or officer of such Hospital District, or by reason of the fact that he or she serves or served any other corporation or other entity or organization in any capacity at the request of the Hospital District, against all judgments, fines, amounts paid in settlement and reasonable expenses as a result of any such action or proceeding, or an appeal therein; provided, however, that nothing herein shall be construed as permitting indemnification of any person:

(i) In connection with any malpractice action or proceeding arising out of or in any way connected with such person's practice of his or her profession;

(ii) In connection with an action or proceeding by such hospital which a person is adjudged liable to such Hospital District; or

(iii) In connection with any other action or proceeding in which such person is adjudged liable on the basis that personal benefit was improperly received by such person.

(w) To make any other indemnification now or hereafter authorized by law;

(x) To exercise in any other county either within or without this State any power that may be exercised in the county in which the Hospital District's principal hospital, medical and health care facilities and programs are located, notwithstanding any other statute to the contrary, whenever in the judgment of its Board of Trustees the operation of the hospital authority's hospital, medical and health care or program facilities, or the quality of medical or health care for its citizens in the county of its principal hospital operations will be enhanced through economic interest in or contractual arrangements with hospital, medical and health care facilities or programs located outside said county; and

(y) To have and exercise all powers necessary or convenient to effect any or all the purposes for which the Hospital District is organized.

SECTION 2. If any provision of Chapter 107 of the Private Acts of 1957, as amended, or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect with the invalid provisions or application, and to that end, the provision of the Act, as amended, are declared to be severable.

SECTION 3. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Williamson County before October 1, 1996. Its approval or nonapproval shall be proclaimed by the presiding officer of the Williamson County Commission and certified by him to the Secretary of State.

SECTION 4. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 2.

NOV 11 1992

11/92

LAW OFFICES
BASS, BERRY & SIMS

FIRST AMERICAN CENTER
NASHVILLE, TENNESSEE 37238
TELEPHONE (615) 742-6200

CHARLES K. WRAY
(615) 742-6238

TELECOPIER: (615) 742-6293
TELEX: 312112

November 10, 1992

Mr. Richard A. Buerger - FAX 790-8861
Petersen, Buerger & Moseley
306 Court Square
Franklin, Tennessee 37064

Dear Rick:

Enclosed is a revised draft of an amendatory act to the private act creating Williamson County Hospital District. I have added the underlined language in subsections (g), (h) and (m) of Section 7 which is what I believe was approved by the amendments offered by Commissioners White and Naron last night. Please call me if you have any questions.

Sincerely yours,

BASS, BERRY & SIMS

Charles Wray

Charles Wray

CW/jhp
Enclosure

cc: Ron Joyner

#168134

under-lined language added pursuant to *Creating District*
oral amendments made at County Commission *from Co*
meeting on Nov. 9, 1992. #161203

AN ACT to amend Chapter 107 of the Private Acts of 1957, as amended, being the act creating the Williamson County Hospital District.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 107 of the Private Acts of 1957, as amended, is further amended by deleting Section 7 in its entirety and substituting the following:

SECTION 7. The Board of Trustees shall be vested with full, absolute and complete authority and responsibility for the operation, management, conduct and control of the business and affairs of the Hospital District herein created. This authority and responsibility shall include, but shall not be limited to, the power:

- (a) to establish, promulgate and enforce the rules, regulations and policies of the Hospital District;
- (b) to grant or refuse medical staff privileges;
- (c) to upkeep and maintain all property;
- (d) to administer all financial affairs of the Hospital District;
- (e) to execute all contracts, agreements and other instruments except as otherwise provided in this Act;
- (f) to employ, compensate, discharge and supervise all personnel;
- (g) to borrow money and issue its bonds or notes for the purpose of carrying out the business and affairs of the Hospital District; provided that all bonds and notes issued by the Hospital District shall be payable solely from the revenues of the Hospital District. Such bonds may be executed and delivered by the Hospital District at any time and from time to time, may be in such form and denomination and with such terms and maturities, may be in fully registered form or in bearer form registrable either as to principal or interest or both and bear such conversion privileges and be payable in such installments and at such time or times not

priority of pledges and liens and the exemption from taxation shall be governed by the provisions thereof; provided, however, that the Board of Trustees of the Hospital District shall not have the power to borrow money and issue its bonds or notes pursuant to this subsection (g) unless the Board of Commissioners of Williamson County has adopted a resolution approving such action;

- (h) to mortgage or pledge any or all of the properties of the Hospital District, whether then owned or thereafter acquired, and to pledge the revenues and receipts of the Hospital District, as security for the payment of its bonds or notes and any agreements made in connection therewith; provided, however, that the Board of Trustees shall not have the power to mortgage any land owned or operated by the Hospital District; and provided further, that the Board of Trustees of the Hospital District shall not have the power to mortgage or pledge any properties of the Hospital District pursuant to this subsection (h) unless the Board of Commissioners of Williamson County has adopted a resolution approving such action;
- (i) to acquire, whether by purchase, gift or lease, and to improve, maintain, equip and furnish, all real and personal properties which the Board of Trustees may deem necessary in connection with the business and affairs of the Hospital District;
- (j) to grant easements with respect to all properties which the Hospital District owns or operates;
- (k) to sell or lease to others any real or personal properties which the Hospital District owns or operates; provided, however, that the Board of Trustees shall not have the power to sell any real property owned or operated by the Hospital District and shall not have the power to lease substantially all of the facilities owned or operated by the Hospital District to one or more other entities in a single transaction or a series of related transactions;
- (l) to sue and be sued;

- (m) to acquire shares of stock in any corporation and enter into joint ventures and partnerships with other entities; provided that such action does not jeopardize the tax-exempt status of Williamson County or the Hospital District and provided, further, that such corporation, joint venture or partnership is engaged in providing health care services to residents of Williamson County, Tennessee or services related to the provision of such health care services; and provided, however, that any obligation incurred by the Hospital District as a result of its being a stockholder, joint venturer or partner shall be payable solely out of revenues received by the Hospital District; and
- (n) to guarantee loans or obligations of other entities; provided, however, that any such guarantee shall be payable solely out of the revenues received by the Hospital District.

Notwithstanding any other provision of the Act, as amended, the Board of Trustees shall not have the power to enter into any agreement entrusting to any other entity management of all or substantially all of the facilities owned or operated by the Hospital District.

SECTION 2. If any provision of Chapter 107 of the Private Acts of 1957, as amended, or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to that end the provisions of the Act, as amended, are declared to be severable.

SECTION 3. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Williamson County before October 1, 1993. Its approval or nonapproval shall be proclaimed by the presiding officer of the Williamson County Commission and certified by him to the Secretary of State:

SECTION 4. For the purpose of approving or rejecting the provisions of this Act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 3.

Attachment A.6

Deed

mail:
This Instrument Was Prepared By:

Jack F. Stringham II
Bone McAllester Norton PLLC
Suite 1500
511 Union Street
Nashville, Tennessee 37219-1778

GENERAL WARRANTY DEED

ADDRESS OF NEW OWNER: SEND TAX BILLS TO
Williamson County Hospital District Same
d/b/a Williamson Medical Center
4601 Carothers Parkway, Suite 100
Franklin, TN 37067

MAP/PARCEL
Map # 79
Parcel # 41.05 C2

FOR AND IN CONSIDERATION OF TEN DOLLARS (\$10.00) cash in hand paid by the hereinafter named Grantee, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **FW Investment, GP, a Tennessee general partnership**, (the "Grantor") has bargained and sold, and by these presents does transfer and convey unto **Williamson County Hospital District d/b/a Williamson Medical Center**, (the "Grantee"), its successors and assigns, a certain tract or parcel of land in Williamson County, Tennessee, (the "Property") described as follows, to-wit:

See Exhibit A

This is improved property whose address is 4601 Carothers Parkway, Suite 150 Franklin, Williamson County, Tennessee 37067.

TO HAVE AND TO HOLD said tract or parcel of land, with the appurtenances, estate, title, and interest thereto belonging to the said Grantee, Grantee's successors and assigns forever. Grantor does hereby release and relinquish unto Grantee, Grantee's successors and assigns forever, all of its right, title and interest in and to said property, and does hereby covenant to and with Grantee, Grantee's successors and assigns, to defend the title to the property herein conveyed against all persons lawfully claiming the same subject to those matters shown of public record. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

In witness whereof, Grantor has caused to be executed this instrument this 31st day of March, 2011.

FW Investments, GP,
a Tennessee general partnership

By: _____

David A. Price
David A. Price, Trustee

STATE OF TENNESSEE)
COUNTY OF WILLIAMSON)

Before me, the undersigned, a Notary Public of the State and County aforesaid, personally appeared David A. Price, Trustee, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath acknowledged himself to be a general partner of FW Investment, GP, the within named bargainor, and that he as such general partner being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the partnership by himself as such authorized agent.

Witness my hand and seal, at office in Franklin, Tennessee, this 31st day of March, 2011.

(SEAL)

Jack F. Stringham
Notary Public



My commission expires: 5/20/14

STATE OF TENNESSEE)
COUNTY OF WILLIAMSON)

I hereby swear or affirm that the actual consideration or value, whichever is greater, for this transaction is \$1,600,000.00.

[Signature]
Affiant

Subscribed and sworn to before me,
this 31st day of June, 2009.

Jack F. Stringham
Notary Public

My Commission Expires:

5/20/14



Exhibit A

The land referred to in this Commitment is situated in the County of Williamson, State of Tennessee, and described as follows:

Land in Williamson County, Tennessee, being Condominium Unit Number 150, according to the Master Deed of Tower Condominiums of record in Book 4693, page 412 and Instrument of Correction and Amendment No. 1 to Master Deed of record in Book 4746, page 691, Register's Office for Williamson County, Tennessee, together with an undivided share in the common elements appurtenant thereto.

Being the same property conveyed to FW INVESTMENT, GP, by deed from CURD ASSOCIATES, LLC, of record as Book 4850, page 366, dated June 5, 2009, said Register's Office.

BK/PG:5293/262-264

11011578

DEED	
04/05/2011	08:41 AM
BATCH	211616
MTG TAX	0.00
TRN TAX	5920.00
REC FEE	15.00
DP FEE	2.00
REG FEE	1.00
TOTAL	5938.00

STATE OF TENNESSEE, WILLIAMSON COUNTY

SADIE WADE
REGISTER OF DEEDS

Attachment B. II.E.1

FDA Approval



JUL 17 2009

GE Healthcare

3200 N. Grandview Blvd.
Waukesha, WI 53188
USA

K091536

Section 5 - 510(k) Summary

This 510(k) summary of safety and effectiveness information is submitted in accordance with the requirements of 21 CFR Part 807.92(c).

Submitter: GE Healthcare
3200 N. Grandview Blvd.
Waukesha, WI 53188

Contact Person: Mark Stauffer
Regulatory Affairs Leader

Telephone: 262 - 521 - 6891
Fax: 262 - 521 - 6439
Email: mark.x.stauffer@ge.com

Date Prepared: 15 May 2009

Device Name:

Proprietary Name: Optima MR450w
Classification Name: Magnetic Resonance Diagnostic System, 21 CFR 892.1000, 90-LNH

Predicate Device:
GE Discovery® MR450 System (K083147)

Device Description:

The 1.5T GE Optima MR450w features a superconducting magnet operating at 1.5 Tesla. The data acquisition system accommodates up to 32 independent receive channels in various increments, and multiple independent coil elements per channel during a single acquisition series. The system uses a combination of time-varying magnetic fields (gradients) and RF transmissions to obtain information regarding the density and position of elements exhibiting magnetic resonance. The system can image in the sagittal, coronal, axial, oblique and double oblique planes, using various pulse sequences and reconstruction algorithms. The 1.5T GE Optima MR450w is designed to conform to NEMA DICOM standards (Digital Imaging and Communications in Medicine).

Indications for Use:

The Optima MR450w is a whole body magnetic resonance scanner designed to support high resolution and high signal-to-noise ratio images in short exam times. It is indicated for use as a diagnostic imaging device to produce axial, sagittal, coronal, and oblique anatomical images, spectroscopic data, parametric maps, or dynamic images of the structures or functions of the entire body. The indication for use includes, but is not limited to, head, neck, TMJ, spine, breast, heart, abdomen, pelvis, joints, prostate, blood vessels, and musculoskeletal regions of the body. Depending on the region of interest being imaged, contrast agents may be used.

The images produced by the Optima MR450w reflect the spatial distribution or molecular environment of nuclei exhibiting magnetic resonance. These images and spectra, when interpreted by a trained physician yield information that may assist in diagnosis.

Comparison with Predicate Devices:

The indications for use for the Optima MR450w System are similar to those for the GE Discovery® MR450 System.

Comparison statement between Optima MR450w and Discovery MR450 System:

The GE Optima MR450w is a new device design that is similar to the previously cleared 1.5T HDx MR system (K052293) with the main difference being the static magnet physical dimensions, which reflect the design objective of creating a larger diameter patient enclosure (bore). Both systems utilize superconducting magnets, gradients, and radio frequency coils and electronics to acquire data in single voxel, two-dimensional, or three-dimensional datasets. The operating software is common to both systems, as are the user applications provided with the system or offered as options.

Summary of Studies:

As stated in the FDA document "Guidance for the Submission of Premarket Notifications for Magnetic Resonance Diagnostic Devices" the following parameters have been measured

and documented through testing to NEMA, IEC or ISO standards (as referenced throughout this submission and listed in Section 9:

Performance:

- Signal-to-noise ratio (SNR)
- Geometric distortion
- Image uniformity
- Slice thickness
- Spatial resolution

Safety

- Static field strength
- Acoustic noise
- dB/dt
- RF heating (SAR)
- Biocompatibility

The Optima MR450w has been designed to comply with applicable IEC standards. It shall be certified by a Nationally Recognized Testing Laboratory to conform to IEC, UL and CSA standards prior to commercialization of the system.

Conclusion:

It is the opinion of GE that the GE Optima MR450w 1.5T system is substantially equivalent to the Discovery MR450 1.5T system.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Food and Drug Administration
9200 Corporate Boulevard
Rockville MD 20850

GE Medical Systems LLC
% Mr. Daniel W. Lehtonen
Senior Staff Engineer-Medical Devices
Intertek Testing Services NA, Inc.
2307 E. Aurora Rd., Unit B7
TWINSBURG OH 44087

JUL 17 2009

Re: K091536

Trade/Device Name: Optima MR 450w
Regulation Number: 21 CFR 892.1000
Regulation Name: Magnetic resonance diagnostic device
Regulatory Class: II
Product Code: LNH
Dated: July 2, 2009
Received: July 6, 2009

Dear Mr. Lehtonen:

We have reviewed your Section 510(k) premarket notification of intent to market the device referenced above and have determined the device is substantially equivalent (for the indications for use stated in the enclosure) to legally marketed predicate devices marketed in interstate commerce prior to May 28, 1976, the enactment date of the Medical Device Amendments, or to devices that have been reclassified in accordance with the provisions of the Federal Food, Drug, and Cosmetic Act (Act) that do not require approval of a premarket approval application (PMA). You may, therefore, market the device, subject to the general controls provisions of the Act. The general controls provisions of the Act include requirements for annual registration, listing of devices, good manufacturing practice, labeling, and prohibitions against misbranding and adulteration.

If your device is classified (see above) into either class II (Special Controls) or class III (PMA), it may be subject to additional controls. Existing major regulations affecting your device can be found in the Code of Federal Regulations, Title 21, Parts 800 to 898. In addition, FDA may publish further announcements concerning your device in the Federal Register.

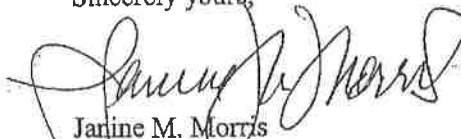
Please be advised that FDA's issuance of a substantial equivalence determination does not mean that FDA has made a determination that your device complies with other requirements of the Act or any Federal statutes and regulations administered by other Federal agencies. You must comply with all the Act's requirements, including, but not limited to: registration and listing (21 CFR Part 807); labeling (21 CFR Part 801); medical device reporting (reporting of medical

device-related adverse events) (21 CFR 803); good manufacturing practice requirements as set forth in the quality systems (QS) regulation (21 CFR Part 820); and if applicable, the electronic product radiation control provisions (Sections 531-542 of the Act); 21 CFR 1000-1050.

If you desire specific advice for your device on our labeling regulation (21 CFR Part 801), please go to <http://www.fda.gov/AboutFDA/CentersOffices/CDRH/CDRHOffices/ucm115809.htm> for the Center for Devices and Radiological Health's (CDRH's) Office of Compliance. Also, please note the regulation entitled, "Misbranding by reference to premarket notification" (21 CFR Part 807.97). For questions regarding the reporting of adverse events under the MDR regulation (21 CFR Part 803), please go to <http://www.fda.gov/cdrh/mdr/> for the CDRH's Office of Surveillance and Biometrics/Division of Postmarket Surveillance.

You may obtain other general information on your responsibilities under the Act from the Division of Small Manufacturers, International and Consumer Assistance at its toll-free number (800) 638-2041 or (240) 276-3150 or at its Internet address <http://www.fda.gov/cdrh/industry/support/index.html>.

Sincerely yours,



Janine M. Morris
Acting Director, Division of Reproductive,
Abdominal, and Radiological Devices
Office of Device Evaluation
Center for Devices and Radiological Health

Enclosure

Indications for Use

510(k) Number (if known):

K091536

Device Name:

Optima MR450w

Indications for Use:

The Optima MR450w is a whole body magnetic resonance scanner designed to support high resolution and high signal-to-noise ratio images in short exam times. It is indicated for use as a diagnostic imaging device to produce axial, sagittal, coronal, and oblique anatomical images, spectroscopic data, parametric maps, or dynamic images of the structures or functions of the entire body. The indication for use includes, but is not limited to, head, neck, TMJ, spine, breast, heart, abdomen, pelvis, joints, prostate, blood vessels, and musculoskeletal regions of the body. Depending on the region of interest being imaged, contrast agents may be used.

The images produced by the Optima MR450w reflect the spatial distribution or molecular environment of nuclei exhibiting magnetic resonance. These images and spectra, when interpreted by a trained physician yield information that may assist in diagnosis.

Prescription Use X
(21 CFR 801 Subpart D)

AND/OR

Over-the-Counter Use _____
(21 CFR 807 Subpart C)

(PLEASE DO NOT WRITE BELOW THIS LINE - CONTINUE ON ANOTHER PAGE IF NEEDED)

Concurrence of CDRH, Office of Device Evaluation (ODE)

[Signature]
(Division Sign-Off)

Division of Reproductive, Abdominal and
Radiological Devices

510(k) Number

K091536

Attachment B.II.E.3

Price Quote



GE Healthcare

Date: 10-22-2015
Quote #: PR1-C40393
Version #: 5

Williamson Medical Center
4321 Carothers Pkwy
Franklin TN 37067-5909

Attn: Sharon Cooke
4321 Carothers Pkwy Franklin
TN 37067-5909

Customer Number : 1-23J0NO
Quotation Expiration Date: 12-31-2015

The terms of the Master Purchasing Agreement, Strategic Alliance Agreement or GPO Agreement referenced below as the Governing Agreement shall govern this Quotation. No additional or different terms shall apply unless agreed to in writing by authorized representatives of both parties.

Governing Agreement:	Novation Group Buy
Terms of Delivery:	FOB Destination
Billing Terms:	80% delivery / 20% Installation
Payment Terms:	NET 30
Total Quote Net Selling Price:	\$1,274,518.83

INDICATE FORM OF PAYMENT:

If "GE HFS Loan" or "GE HFS Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Financial Services (GE HFS) to fund this arrangement after shipment.

- ☐ Cash/Third Party Loan
☐ GE HFS Lease
☐ GE HFS Loan
☐ Third Party Lease (please identify financing company)

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE
J McNatt

Signature

10-22-2015

Date

Product Sales Specialist

Email: J.Mcnatt@med.ge.com

Mobile: +1 865 382 7555

Fax: 865-381-1558



GE Healthcare

Date: 10-22-2015
Quote #: PR1-C40393
Version #: 5

Total Quote Selling Price
Trade-In and Other Credits

\$1,274,518.83
\$0.00

Total Quote Net Selling Price

\$1,274,518.83

To Accept this Quotation

Please sign and return this Quotation together with your Purchase Order To:

J McNatt

Mobile: +1 865 382 7555

Email: J.Mcnatt@med.ge.com

Fax: 865-381-1558

Payment Instructions

Please **Remit** Payment for invoices associated with this quotation to:

GE Healthcare

P.O. Box 96483

Chicago, IL 60693

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate, your form of payment.
- If you include the purchase order, please make sure it references the following information
 - The correct Quote number and version number above
 - The correct Remit To information as indicated in "**Payment Instructions**" above
 - The correct SHIP TO site name and address
 - The correct BILL TO site name and address
 - The correct Total Quote Net Selling Price as indicated above



GE Healthcare

Date: 10-22-2015
Quote #: PR1-C40393
Version #: 5

10-22-2015

GPO Agreement Reference Information

Customer: Sharon Cooke
Contract Number: CE0044,2512
Start Date: 03/30/2008
End Date: 12/31/2015

Billing Terms: 80% delivery / 20% Installation
Payment Terms: NET 30
Shipping Terms: FOB Destination

NOTICE REGARDING MAGNETIC RESONANCE ("MR") PRODUCTS. This notice applies only to the following GE Healthcare products: MR: Discovery MR750, Discovery MR750w, Discovery MR450 and Optima MR450w. GE Healthcare has reclassified several advanced software tools and associated documentation to a GE Healthcare Technical Service Technology package that GE Healthcare feels will bring greater value and interest to our customers. GE Healthcare will continue to provide trained Customer employees with access to the GE Healthcare Technical Service Technology package under a separate agreement. GE Healthcare will continue to provide customers and their third party service providers with access to software tools and associated documentation in order to perform basic service on the CT, MR and NM products listed above upon a request for registration for such access. This will allow GE Healthcare to react faster to the future service needs of GE Healthcare customers. If you have any questions, you can contact your sales Service Specialist.

This product offering is made per the terms and conditions of Novation/GE Healthcare GPO Agreement # XR0053 (MR).

For access to the applicable Novation Agreement and Contract Summary, please login to the Novation Marketplace website. If you require assistance or are experiencing issues please contact one of the following for support:

Novation Customer Service (888) 7-NOVATE NOVCustomerService@novationco.com

Web Site Technical Support (800) 327-8116 NovationTechSupport@novationco.com



GE Healthcare

Date: 10-22-2015
Quote #: PR1-C40393
Version #: 5

Item No.	Qty	Catalog No.	Description
	1		Optima MR450w 1.5T 16-Ch 25.0
1	1	S7525AW	<p>Optima MR450w 1.5T MR System - EX Platform</p> <p>The Optima MR450w 1.5T MR system from GE Healthcare is designed to deliver a comfortable patient-friendly environment while also delivering uncompromised clinical performance and streamlined workflow.</p> <p>The EX configuration includes the system electronics, operating software, imaging software, post-processing software:</p> <ul style="list-style-type: none">• eXtreme Gradient Technology• Acoustic Reduction Technology• OpTix RF Receive Technology• T/R Body Coil & T/R Head Coil• Volume Reconstruction Engine• Computing Platform and DICOM• Express Patient Table• Express 2.0 Workflow and In-Room Operator Console• ScanTools and EX Tools <p>eXtreme Gradient Technology: The Optima MR450w delivers high temporal resolution through 3-axis gradient amplifier power supply and efficient gradient coil design as well as high spatial integrity through excellent magnet homogeneity and gradient linearity over a large FOV. In addition, the XRM gradients are non-resonant and actively shielded to minimize eddy currents, and use an innovative digital control architecture design to deliver high fidelity, accuracy and reproducibility</p> <ul style="list-style-type: none">• Peak amplitude per axis: 34 mT/m• Up to 150 T/m/s instantaneous peak slew rate per axis• Peak current & voltage: 660 Amps, 1650 Volts• Digital PI feedback loop control• Maximum FOV: 50cm• Duty cycle: 100% <p>Acoustic Noise Reduction Technology: The Optima MR450w system features five levels of acoustic reduction technology to deliver an enhanced patient environment.</p> <ul style="list-style-type: none">• Gradient & RF coil isolation• Acoustic dampening material



GE Healthcare

Date: 10-22-2015
Quote #: PR1-C40393
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			<ul style="list-style-type: none">• Vibro-acoustic isolation• Gradient waveform optimization <p>The OpTix RF receive chain enables high bandwidth, high channel count reception with improved SNR over conventional MR receiver designs. The MR signal is digitized within the scan room and then optically transmitted to the reconstruction engine in the electronics room increasing SNR for all volume acquisitions.</p> <ul style="list-style-type: none">• Simultaneous channel/receivers: 16• Receiver sampling per channel: 80 MHz• Receiver dynamic range at 1 Hz BW: >165 dB• Receiver resolution: up to 32 bits• Digital quadrature demodulation <p>T/R Body Coil and T/R Head Coil: The Optima MR450w system includes a transmit-and-receive RF body coil and a split-top transmit-and-receive RF head coil. The RF body coil is integrated into a single module with the gradient coil, which is both water and air cooled for excellent duty cycle performance and patient comfort.</p> <p>Volume Reconstruction Engine: The Optima MR450w system features a powerful volume reconstruction engine with onboard memory and local raw data storage to support and maintain simultaneous data acquisition and reconstruction under the most demanding applications. VRE uses 64-bit computing, delivering high acquisition memory and fast performance. Parallel processing and high speed interconnects provide scalable memory and throughput. The acquisition to disk feature automatically expands the memory per the demands of the application.</p> <p>The VRE 5.0 volume reconstruction engine delivers the performance needed for challenging, data-intensive applications that use RF high channel counts and advanced parallel imaging. VRE 5.0 enables enhanced speed compared to previous generations due to solid state hardware and core performance gains.</p> <ul style="list-style-type: none">• 14,000 2D FTTs/sec with 2562 and full FOV• Dell R620XL (Intel) with Scientific Linux (RT) OS• 48GB RAM with 8 @ 2.5Ghz Cores <p>Computing Platform: The Intel Xeon Nehalem Dual Core Processor computing platform utilizes a parallel, multi-processor design to enable simultaneous scanning, reconstruction, filming, post-processing, archiving, and networking. The keyboard assembly integrates an intercom speaker, microphone, volume controls, and</p>



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			<p>emergency stop switch. Start scan, pause scan, stop scan and table advanced to center hot keys are also included.</p> <ul style="list-style-type: none">• 8GB DDR3 Memory• 146GB SAS disk subsystem• 24" flat panel LCD with 1920x1200 resolution• Single tower configuration• DVD interchange <p>DICOM: The Optima MR450w system generates MR Image, Secondary Capture, Structured Report, and Gray Scale Softcopy Presentation State DICOM objects. The DICOM networking supports both send and query retrieve as well as send with storage commit to integrate with PACS archive.</p> <p>M7000WF (1 unit included in S7525AW) Express Patient Table: The Express patient table is fully detachable – easily docked and undocked by a single operator – and simple to move in and out of the exam room for patient transport and preparation. These features can be vital in instances where multiple patient transfers can negatively impact patient care or when emergency extraction is required.</p> <p>In addition, the Express patient table enables patient preparation for an exam outside of the scan room, thus reducing the necessary steps before starting the acquisition. Surface coil positioning, IV poles, arm boards, support pads and blankets are easily setup in advance of entering the exam room. The Express Patient Table offers head- or feet first imaging for most anatomies.</p> <ul style="list-style-type: none">• Maximum patient weight for scanning: 500 lbs• Patient table drive: Automated, power driven vertical & longitudinal• Longitudinal speed: 30 cm/sec (fast) and 0.5 cm/sec (slow)• Total cradle length: 211 cm• Scan range: 205 cm <p>Workflow: Express Workflow 2.0 incorporate features designed to streamline and automate exams.</p> <ul style="list-style-type: none">• In-Room Operator Console and controls• Protocol Libraries & Management Tools• Workflow Manager & Auto Functions• Inline Processing, Networking & Viewing• Start Scan, Stop Scan, Pause/Resume Scan



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			<p>The In-Room Operator Console and dual-sided controls enable interaction with the host computer from the magnet room. The user has direct control or selection of:</p> <ul style="list-style-type: none">• Display of patient name, ID, study description• Display and entry of patient weight• Display and entry of patient orientation and position• Cardiac gating waveform display• EKG lead confirmation with gating control• Respiratory waveform display• IntelliTouch Landmarking• AutoStart• Display of coil connection and status• Display of table location and scan time• Screen saver <p>Express Exam enables complete control of protocols for prescription, archiving, searching, and sharing. Protocols are organized into two libraries – GE authored and Site authored – Protocol Notes allow customized notes to be saved with each protocol. : ProtoCopy enables a complete exam protocol, from either a library or previous exam, to be shared with a mouse click, and the Modality Worklist provides an automated method of linking exam and protocol information for a patient directly from a DICOM Worklist server.</p> <p>The Workflow Manager controls the execution of scan prescription, acquisition, processing, viewing and networking and may automate these steps, when requested by the user. AutoStart automatically starts the first acquisition as soon as the technologist exits the magnet room, and AutoVoice ensures that consistent and repeatable instructions are delivered to the patient.</p> <p>Processing steps are automatically completed with Inline Processing once the data have been reconstructed and the images saved into the database. For certain tasks, the user must accept the results or complete additional steps prior to saving the images. These automatic Inline Processing steps can be saved into the Protocol Library.</p> <p>Inline Viewing allows the user to conveniently view, compare, and analyze images from the Scan Desktop by selecting the desired series from the Workflow Manager.</p>



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			<p>ScanTools: ScanTools 25.0 and the EX clinical package deliver an expansive portfolio of advanced applications, imaging options, and visualization tools packaged with the system operating software to provide extensive clinical capability and enhanced productivity.</p> <p>Advanced Neuro Applications:</p> <ul style="list-style-type: none">• eDWI diffusion with Multi-B and Smart-NEX• Diffusion Tensor diffusion with FiberTrak• SWAN 2.0 susceptibility imaging• IDEAL FSE & GRE-based fat-water imaging• PROPELLER 3.0 motion robust radial FSE• PROPELLER 3.0 FSE-based diffusion imaging• 3D Cube 2.0 FSE-based 3D imaging• Dual Inversion 3D Cube imaging• Spin Echo & Fast Spin Echo Suites• T1-FLAIR & T2-FLAIR Suite• Gradient Echo & Fast GRE Suites• Spoiled Gradient Echo & Fast SPGR Suites• Echo Planar, EPI FLAIR & fMRI EPI Suites• EchoPlus with RTFA diffusion imaging• 3D FIESTA & 3D FIESTA-C steady-state imaging• 3D BRAVO IR-prepped fast SPGR imaging• 3D COSMIC modified steady-state imaging• 2D/3D MERGE multi-echo recombined GRE imaging• PROBE PRESS and STEAM single voxel spectroscopy• 2D and 3D CSI• BrainSTAT GVF & AIF parametric maps• Ready Brain automated brain exam prescription <p>Advanced Spine & MSK Applications:</p> <ul style="list-style-type: none">• eDWI diffusion with Multi-B and Smart-NEX• Diffusion Tensor diffusion with FiberTrak• IDEAL FSE & GRE-based fat-water imaging• PROPELLER 3.0 motion-robust radial FSE• 3D Cube 2.0 FSE-based 3D imaging

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			<ul style="list-style-type: none">• Spin Echo & Fast Spin Echo Suites• Gradient Echo & Fast GRE Suites• 3D COSMIC modified steady-state imaging• 2D/3D MERGE multi-echo recombined GRE imaging• High Bandwidth FSE artifact reduction• Spectral Spatial Fat Suppression <p>Advanced Body Applications:</p> <ul style="list-style-type: none">• eDWI diffusion with Multi-B and Smart-NEX• 3D LAVA Flex fat-water T1 DCE with Turbo ARC• IDEAL FSE & GRE-based fat-water imaging• IDEAL IQ fat assessment• StarMap T2* imaging• Body Navigators pencil-beam diaphragm tracker• PROPELLER 3.0 motion robust radial FSE• Spin Echo & Fast Spin Echo Suites• Gradient Echo & Fast GRE Suites• 3D Cube 2.0 FSE-based 3D imaging• 3D LAVA T1 DCE imaging with Turbo ARC• 2D/3D Dual Echo Fat-Water Imaging• 3D FR FSE MRCP & HYDRO imaging• Enhanced SSFSE single-shot FSE imaging• 2D FS FIESTA steady-state imaging• Multi-phase DynaPlan• SmartPrep automated bolus detection• Fluoro Trigger real-time bolus monitoring• Respiratory Compensation, Gating & Triggering• iDrivePro & iDrivePro Plus real-time imaging• SPECIAL IR Fat Saturation <p>Advanced Vascular Applications:</p> <ul style="list-style-type: none">• Inhance 2.0 NCE-MRA suite• TRICKS dynamic 3D CE-MRA• SWAN 2.0 susceptibility imaging



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			<ul style="list-style-type: none">• Flow Analysis post-processing• Body Navigators pencil-beam diaphragm tracker• 2D/3D Time-Of-Flight & 2D Gated Time-of-Flight• 2D/3D Phase Contrast & Phase Contrast Cine• SmartPrep automated bolus detection• Fluoro Trigger real-time bolus monitoring• 3D QuickStep automated multi-station imaging• Magnetization Transfer• Flow Compensation• Peripheral & EKG Gating & Triggering• Respiratory Compensation, Gating & Triggering
			Advanced Cardiac Applications: <ul style="list-style-type: none">• 2D Phase Sensitive MDE myocardial imaging• MDE Plus• Cine IR gated GRE imaging with progressive TI• FGRE TC myocardial time course timing• Black Blood SSFSE multi-slice imaging• Flow Analysis post-processing• Double-Triple IR-FSE with spectral fat suppression• FastCine FGRE-based, gated multi-phase imaging• 2D FIESTA Cine steady-state, gated multi-phase imaging• 3D FS FIESTA steady-state coronary imaging• iDrivePro Plus real-time inter-active imaging• Blood Suppression• Cardiac Navigator diaphragm tracker• Cardiac Compensation, Gating & Triggering• Respiratory Compensation, Gating & Triggering• Cine Paging (128 images/4 windows @ 30fps)• Flow Analysis post-processing
			Advanced Imaging Tools: <ul style="list-style-type: none">• ARC & Turbo ARC data-based parallel acceleration• ASSET 3.0 image-based parallel acceleration

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			<ul style="list-style-type: none">• Real Time Field Adjustment for DWI• Chemical Shift Direction Selection• 2D/3D GradWarp compensation• Acoustic Reduction Technology• IR Prep, DE Prep & T2 Prep• Full Echo Train & Tailored RF• Spectral Spatial Fat Suppression• SPECIAL IR Fat Suppression• ASPIR Fat Suppression• Matrix ZIP 512 & ZIP 1024• 3D Slice 2X ZIP & 4X ZIP• Square Pixel & Rectangular FOV• No Phase Wrap & No Frequency Wrap• Extended Dynamic Range
			Advanced Processing & Display: <ul style="list-style-type: none">• Inline Viewing & Inline Processing• Image Fusion & Image Pasting• SCIC & PURE surface coil intensity correction• Multi-planar Volume Reformat• Interactive Vascular Reformat• ClariView Image Filtering• Compare Mode & Reference Image• Cine Paging (128 images/4 windows @ 30fps)• Flow Analysis post-processing
			Advanced FuncTool Analysis: <ul style="list-style-type: none">• ADC maps & eADC mapping• Correlation Coefficient analysis• NEI Negative Enhancement Integral analysis• MTE Mean Time To Enhance analysis• Positive Enhancement Integral analysis• Signal Enhancement Ratio analysis• Maximum Slope Increase analysis



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			<ul style="list-style-type: none">• Maximum Difference Function analysis• Difference Function analysis
2	1	S4500WE	<p>Optima MR450w 1.5T Magnet, Gradient, RF Body Coil and Dock Collector for 16-Channel System</p> <p>To improve the patient experience and provide high image quality, no other component of an MRI system has greater impact than the magnet. The Optima MR450w system features a short, wide bore magnet that delivers a large field of view. The magnet geometry has been optimized to reduce patient anxiety by providing more space in the bore and more exams with the patient's head outside of the magnet. The 50cm field of view provides uniform image quality and can reduce exam times since fewer acquisitions may be necessary to cover large areas of anatomy. Complemented by GE's active shielding technology, the Optima MR450w has very flexible installation specifications to provide easy siting. And with zero-boil-off magnet technology, helium refills are effectively eliminated, thus reducing operating costs and maximizing uptime.</p> <p>Magnet:</p> <ul style="list-style-type: none">• Manufactured by GE Healthcare.• Operating field strength 1.5T (63.86 MHz).• Active magnet shielding.• Zero boil-off Cryogenics.• Magnet length 145cm.• Patient Aperture 76 cm.• Patient Bore Diameter 70cm.• Patient Bore Length 105cm.• Maximum Field of View 50 cm.• Magnet Homogeneity at 47 cm x 42 cm (R x Z) volume ≤ 1.25.• Fringe field (axial x radial).• 5 Gauss = 4.0 m x 2.5 m.• 1 Gauss = 6.2 m x 3.7 m. <p>eXtreme Gradient Platform: The powerful gradient performance of the Optima MR450w system enables high resolution and fast acquisitions. The gradient platform includes the eXtreme Gradient Driver (XGD) and the optimized large field of view gradient coil. The eXtreme Gradient Drive (XGD) is housed within a single cabinet to simplify installation. Each axis is driven by a dedicated power supply and amplifier to ensure consistent performance for all image orientations. By incorporating a water-cooled architecture, this system supports continuous peak operation with a</p>

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			<p>100% duty cycle and excellent stability for both long-term serial studies and advanced applications.</p> <ul style="list-style-type: none">• Peak Gradient Amplitude of 34 mT/m per axis.• Peak Gradient Slew Rate of 150 T/m/s per axis. <p>Quiet Technology: GE has implemented Quiet Technology on critical components of the Optima MR system to reduce acoustic noise and improve the patient environment. This technology enables full use of the eXtreme Gradient Platform for excellent image quality, while maintaining a safe environment for the patient. The technology encompasses the gradient coil, RF body coil, and magnet mounting.</p> <p>The Optima MR450w Dock and Switch Collector is critical for the detachable table. The MR450w Liberty Dock provides the interface between the magnet and Express Patient table.</p>
3	1	S7505EJ	<p>MR450w Preinstallation Collector and Cable Concealment Kit</p> <p>The Preinstallation Collector delivers to the site in advance of the magnet and main electronic components. This facilitates the later delivery and installation of supporting electronics. The following are the main components in the Preinstallation collector:</p> <ul style="list-style-type: none">• Heat exchange cabinet for distribution of chilled water.• Primary Penetration wall panel for support of the penetration cabinet.• Secondary Penetration wall panel for support of gradient filters, helium cables, and chilled air and water.• Helium cryocooler hose kit. <p>The Optima MR450w Cable Concealment Kit accommodates a wide-range of scan room ceiling heights and is designed to provide a clean-look installation by concealing the overhead cabling from view.</p>
4	1	S4500YH	<p>Optima MR450w Cable Configuration - A</p> <p>To accommodate various electronic and scan room configurations and sizes, the MR450w has preset lengths of cables and connector kits to speed system installation. This cable collection is compatible with fixed and relocatable building configurations.</p>
5	1	M7000VM	<p>Vibroacoustic Dampening Kit</p> <p>Material in the Vibroacoustic Dampening Kit can significantly attenuate the transmission of gradient-generated acoustic noise through the building structure to nearby areas, including adjacent rooms and floors above or below the MR suite. If this kit is applied during the installation of a new magnet, no additional service charges are necessary. However, installation of the Vibroacoustic Dampening kit under an</p>

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			existing magnet requires special steps. The steps to prepare the site and steps to install, such as modifications to the RF screen room, and other magnet rigging, modifications to the RF screen room, and other finishing work, are not covered in the pricing.
6	1	M7000WL	<p>Main Disconnect Panel</p> <p>The Main Disconnect Panel safeguards the MR system's critical electrical components, by providing complete power distribution and emergency-off control.</p>
7	1	M7000DA	<p>iROC - In Room Operator Console Control: English</p> <p>English version of the Scan Control Interface for the host computer and MR450/MR750 MR magnet. This hardware interface includes the ergonomically designed keyboard, two-way communication and voice command module between the host workspace and scanner, activation buttons for patient table control, acquisition interface to initiate the scanner, and emergency stop switch.</p> <p>English version of the dual control panels for the In Room Operator Console. The control panels include backlighting for easy visualization in darkened rooms, automated button highlights that signal which button to press for simplified workflow and ease of use, and a trackball with mouse buttons for interaction with the Operator Console and patient setup screens.</p>
8	1	M1000MW	<p>Operator's Console Table</p> <p>Wide table designed specifically for the color LCD monitor and keyboard.</p>
9	1	M3335CB	<p>1.5T Calibration Phantom Kit</p> <p>This 1.5T calibration kit contains a large volume shim phantom, a daily quality assurance phantom, an echo-planar calibration phantom, and the associated loader shells.</p>
10	1	M3335CA	Calibration Kit Phantom Holder Cart
11	1	R32052AC	Standard service package delivered for the warranty period.
12	1	S7525CT	<p>Breast Elite Package - 1.5T</p> <ul style="list-style-type: none">• VIBRANT• 1.5T 16-channel Vanguard Breast MRI Table <p>VIBRANT is a fast, high resolution T1-weighted imaging sequence and application optimized for evaluation of breast tissue. VIBRANT uses parallel imaging acceleration</p>



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			<p>to quickly acquire multi-phase data without compromising spatial resolution. This 3D gradient echo technique, optimized for sagittal or axial acquisitions, uses an optimized inversion pulse and dual-shimming technology that yields enhanced image contrast and robust, uniform, bilateral fat suppression.</p> <p>For improved tissue contrast, VIBRANT is compatible with Flex imaging (sold separately). VIBRANT Flex acquisition will provide a water-only, fat-only, in-phase and out of phase data sets in a single acquisition and produce images with significantly reduced chemical shift and susceptibility artifacts.</p> <p>The Vanguard Breast MRI Table includes a 16-channel receive-only, high-density RF coil designed to produce images with optimal signal to noise ratio and uniform coverage for breast imaging. The Variable Coil Geometry of this product allows imaging coils to be customized for each breast of every patient, improving SNR over fixed coils. This results in the ability to resolve detail in morphology, which can lead to better breast cancer management and treatment options.</p> <p>The Sentinelle Vanguard for GE offers a detachable table with comprehensive features storage drawers, tray tables, padding, safety rails, movable sternum supports and integrated lighting - that work together to improve workflow. Patients can be prepared outside the MRI suite before and after imaging and intervention.</p>
13	1	S7525DK	<p>MR450w 1.5T Expert Coil Package</p> <ul style="list-style-type: none">• 16-channel Head Neck Spine Array• 12-channel Body Array• 16-channel Flex Suite - Standard (MD & LG)• Flex Positioner• 3-channel Shoulder Array <p>The 16-channel Head Neck Spine Array delivers convenience without compromise. This 29-element coil serves as a high-resolution brain coil, high-density neuro-vascular array, and a multi-element spine coil in one convenient package. Designed to accommodate multi-dimensional parallel imaging in any scan plane, this coil yields unprecedented imaging speed and superior image quality, thanks in large part to a unique element arrangement that focuses the signal over the anatomy of interest.</p> <p>The 12-channel quadrature Body Array is designed for high-definition MR imaging of the chest, abdomen and pelvis. This 12-element phased-array coil provides extensive</p>

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			<p>coverage, enabling multi-station anatomical and vascular imaging of the chest-abdomen or abdomen-pelvis without repositioning the coil. The array is optimized for use with ASSET acceleration in enhanced breath-hold imaging procedures.</p> <p>The 16-channel Flex Suite is a versatile set of high density coils designed to give high quality images in a wide range of applications. The high degree of flexibility is particularly advantageous when imaging patients that do not fit the constraints of rigid coils, improving the patient and technologist experience, and enabling most exams to be completed with the same level of image quality expected from dedicated coils. This Standard set provides the two most commonly used flex coils, Medium and Large, and a knee stabilization fixture that is designed for compatibility with the standard curved table. With these two coils and the included accessories, this suite covers a broad range of muscular skeletal applications, including hand, wrist, elbow, shoulder, hip (unilateral and bilateral), knee, ankle, and foot. In addition, the coils versatility has been shown in a range of general purpose applications that include head, neck, and spine exams.</p> <p>The Flex Positioner is a multipurpose support for a broad range of exams including foot, ankle, forefoot, knee, and head. A dedicated forefoot attachment allows the flex array elements to be wrapped tightly around the foot, yielding improved image quality. A repositionable support pad in the foot and ankle attachment allows for selection of a 90 degree position, or a relaxed position of the ankle. The pads and straps included with the stabilizer facilitate rapid setup and allow for flexibility in how the anatomy is secured.</p> <p>The 3-channel Shoulder Array offers the increased signal-to-noise characteristic of phased-array technology, along with a unique sleeve design that delivers exceptional joint-imaging capabilities. The coil provides clear definition of the shoulder joint, specifically the head of the humerus, clavicle, acromion, supraspinatus muscle and ligaments. Patient comfort pads and restraining straps are included.</p>
14	1	M7000SD	<p>1.5T Small Flex Coil with Interface - P Connector</p> <p>The Small Flex Coil is the smallest of a versatile set of high density 16-channel receive coils designed to give high quality images in a wide range of applications. The smallest of these three coils is optimized for the reduced field of view and improved image quality needed in hand, wrist, and elbow imaging applications. Together with an extra interface assembly, this coil is ideal for MR sites doing a higher volume of musculoskeletal scans.</p> <p>The high degree of flexibility is particularly advantageous when imaging patients that</p>

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			<p>do not fit the constraints of rigid coils, improving the patient and technologist experience, and enabling most exams to be completed with the same level of image quality expected from dedicated coils.</p> <p>The Small Flex Coil is compatible with the Discovery MR450 and Optima MR450w systems with the standard Express Patient Table and also with the MR450w systems with the GEM Express Patient Table.</p> <p>Includes:</p> <ul style="list-style-type: none">• 1.5T Small Flex Coil.• Flex Interface Module 16-channel Fixed, P-Connector.• Flex Interface Module Cover.
15	1	E8912CA	<p>GE Optima MR450w/Pioneer Heat Exchangers - 49kW (20Tons)</p> <p>Cooling for your GE Healthcare MR system has never been so easy. GE Healthcare has partnered with the Glen Dimplex Group, a world leader in cooling systems, to offer heat exchangers designed to meet the needs of your Discovery MR System. Now you can look to GE Healthcare for your entire MR purchase and support.</p> <p>This heat exchanger is highly reliable and the only unit verified to perform with the new platform of GE Healthcare MR systems. As part of your integrated GE Healthcare solution, you'll work with a single contact throughout the whole installation. A Project Manager of Installation will help with building layout, room designs, delivery and installation - every step until your system is ready to scan. Our team will work seamlessly with architects, contractors and your internal team to help ensure timely, cost-effective completion.</p> <p>Once your cooling system is running, you'll get fast, highly-skilled service support managed through GE Healthcare - with the same quality and response time you expect from your MR system.</p> <p>FEATURES AND BENEFITS</p> <ul style="list-style-type: none">• Designed to provide stable fully dedicated cooling for your MR system's needs• Water/glycol outdoor-air-cooled heat exchangers to support your highest exam volumes and your full range of diagnostic procedures• Redundant fluid pumps with automatic switchover let you keep operating with no loss of cooling even if one pump goes down• Quad compressor, dual tandem refrigeration circuit design saves on energy while your system smoothly transitions through the 10% to 100% heat load capacity cycles of patient scanning and idling• Quiet operation between patient exams and overnight - ideal for facilities in

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			residential areas
			<ul style="list-style-type: none">• Comes with installation support, installation visits, preventative maintenance visit and 1 full year of parts and labor warranty• Installation support includes: support through GE's Project Manager of Install, GE's Design Center, technical support from the Glen Dimplex company, two (2) installation visits• Comprehensive and quality service rapidly delivered through our CARES service solution• 65 gallons of 100% glycol concentrate for complete system filling and diluting• Wall mounted remote display panel provides the ability to monitor the system's operation and indicates possible system errors• Filter kit with flow meter helps to ensure purity of water prior to entry to the MR system• Highly recommended that Vibration Isolation Spring Kit (E8911CJ) be added for systems that will be roof top mounted
			SPECIFICATIONS
			<ul style="list-style-type: none">• Net Cooling Capacity: 49 kW / 20 Ton• Maximum Coolant Flow: 35 gpm (132 l/m)• Coolant Outlet Temperature: 48 F (8.9 C)• Coolant Temp Stability: E 1.8 F (E1.0 C)• Max Coolant Pressure : 70 Psi (4.8 Bar)• Refrigerant: R407C• Ambient Temp Range: -20 to 120 F (-30 to 50 C)• Condenser Air Flow (Approx): 18,000 Cfm• Tank Capacity: 100 gal (378 l)• Flow Meter Range: 4-40 gpm• Filters: 50 micron cartridge filters• Supply Voltage: 460v / 3 phase / 60 Hz• Coolant Connections: 2" NPTF• Overall Size (L x W x H) 44" x 136" x 84.5"
			COMPATIBILITY:
			<ul style="list-style-type: none">• GE MR450w or Pioneer MR System
			NOTES:
			<ul style="list-style-type: none">• Item is NON-RETURNABLE and NON-REFUNDABLE



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16	1	E8804SB	<p>Medrad Spectris Solaris EP MR Injection System</p> <p>Medrad Spectris Solaris EP MR injector for use in all MR scanner field strengths up to and including 3.0T. Optimized touch-screen for fewer keystrokes, KVO (keep vein open) allows patient to be prepared before beginning the scan. Larger 115 ml saline syringe for longer KVO or multiple flushes. Includes cables and starter kit...E</p> <p>NOTE: GE is responsible for unpacking, assembly, and installation of equipment. Medrad will be available for technical assistance by phone at (412)767-2400. An additional charge will apply for on-site installation assistance. Medrad will be responsible for operational checkout, final calibration, in-service of the equipment, and initial applications training. Please contact the local Medrad office two weeks in advance of installation.</p>
17	1	E8823M	<p>Magnacoustics Genesis ULTRA Communication & Music System</p> <p>The Magnacoustics Genesis ULTRA is the only MRI Communication & Music System to interface directly with GE's MRI hardware and software. This allows software driven Auto Voice Commands from GE's computer to be delivered directly into the patient's ears for breath-hold sequences. This same interface allows the Technologist to talk directly to the patient through the console Mic even while the scan is in progress. The Genesis ULTRA also features an exclusive Patient Ready Signal. By simply depressing a small button on the handheld control an audible and visual signal is transmitted to the Technologist indicating the patient's readiness for the scan to begin. This simple step streamlines the breath-hold exam which amounts to approximately 30% of all exams. Patient Handheld Volume and Media Selection Controls with Voice Feedback interface with an FM/AM stereo, CD player, and iPod interface. This distracts even the most apprehensive of your patients by allowing them to be in control of their own environment. Additionally, the Auto Gain feature automatically raises and lowers the volume level for the patient based on the Sound Pressure Level of the MRI. Magnacoustics also provides the only patented 8-driver transducer that provides the highest sound directly to the patients ears with the MagnaLink Headset System. This patented system includes a stethoscope-style headset with the MagnaPlug (replaceable earplug) that provides 29dB of attenuation and complies with GE Healthcare MR Safety Guide Operator Manual.</p> <p>The Genesis ULTRA's See-In-the-Dark GUI Electroluminescent Backlit Technologist Control Unit enhances operation in the normally low-lit MRI environment allowing the Technologist to operate the entire system with the touch of a button.</p> <p>The Genesis ULTRA includes an integral interface for fMRI with built-in input for audio stimulation and output for responses...E</p>



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18	1	E8803BE	Physician's Chair with Padded Arms Physician's chair has padded arms for comfort and comes in a charcoal gray color that blends with any environment. Chair adjusts from 16.75 in. to 21 in. (42.5 cm x 53.3cm) and is only for use in the MR Control Room. Weighs 45 lbs.
19	1	W0106MR	TiP Discovery and Optima Family Training 10 Days Onsite Plus 10 Hrs TVA The TiP Training Choices program is designed for CURRENT GE customers WITHOUT HDx experience who purchase a Discovery or Optima system. Training is delivered onsite at the customer's facility and instructs students in start-up operation of the system and introduces participants to the system design, workflow, new options and clinical applications included. Extended TVA support ensures learners maintain performance over the long term. This training program must be scheduled and completed within 36 months after the date of product delivery.
	1		NonProducts
20	1		Rigging magnet from truck to MRI suite

Quote Summary:

Total Quote Net Selling Price

\$1,274,518.83

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)



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Options

(These items are not included in the total quotation amount)

Item No.	Qty	Catalog No.	Description	Ext Sell Price	
21	1	M3335LJ	1.5T 8-Channel Wrist Array - Invivo The 8-Channel Wrist Array generates high definition MR wrist images. The one-piece, ovoid hinged design is optimal for small-FOV imaging and provides 12-cm S/I coverage. The coil can be positioned overhead or at the patient's side, vertically or horizontally. The coil is optimized for ASSET imaging to improve acquisition times.	\$18,225.00	X_____
22	1	M3087JF	1.5T 8-Channel Knee Array - Invivo The 1.5T T/R Knee Array is designed for high definition MR imaging of the knee. This array uses unique hybrid technology using separate birdcage coils for transmit and receive functions. Designed uniquely for GE, the 8-element receive coil delivers 30% to 100% more SNR than the standard extremity coil. The array is compatible with PURE for uniform signal intensity and ASSET for accelerated imaging speed.	\$16,362.00	X_____
23	1	M50002GF	1.5T 8-Channel Foot/Ankle Array - GE This 8-channel receive-only phased array coil is designed for high-resolution and high-SNR imaging of the Foot and Ankle without compromising patient comfort.	\$16,200.00	X_____

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)

Williamson Medical Center

Quote expires on 12/18/2015

GE Healthcare is excited about partnering with you for all of your Diagnostic Imaging service needs. The following is a preliminary quote for your imaging equipment. The quote is for budgetary purposes and contains only a general description of the proposed Service offerings. Final pricing and terms will be solely those contained in an executed Agreement.

Equipment	Effective Date	Offering	Options	Features	Annual Amount
GE MR 1.5T OPTIMA MR450w 16 Channel (M#13A1)	End of Warranty	AssurePoint Rapid	INCLUDED: <input type="checkbox"/> GE SUPPLIED COILS <input type="checkbox"/> ICENTER - UTILIZATION: ICENTER UTILITIZATION: GOLD <input type="checkbox"/> ILINQ RESPONSE TIME: 5 MIN. <input type="checkbox"/> IROC COVERAGE <input type="checkbox"/> SPECTROSCOPY <input type="checkbox"/> ILINQ DIAGNOSTIC <input type="checkbox"/> InSite Onwatch EXCLUDED: <input type="checkbox"/> ADVANTAGE WINDOWS <input type="checkbox"/> CHILLER COVERAGE <input type="checkbox"/> PERIPHERAL DEVICES <input type="checkbox"/> PRINTER <input type="checkbox"/> SENTINELLE TABLE <input type="checkbox"/> UNINTERRUPTED POWER SUPPLY	<input type="checkbox"/> FE Coverage HOURS/DAYS: MON-FRI, 8AM-9PM <input type="checkbox"/> FE Coverage Weekend: NO COVERAGE HRS <input type="checkbox"/> FE Onsite Response Time: 4-Hours <input type="checkbox"/> iCenter - Maintenance: SILVER <input type="checkbox"/> InSite/Tech Phone Support: InSite / Tech Phone Support <input type="checkbox"/> PM Coverage HOURS/DAYS: MON-FRI, 8AM-9PM <input type="checkbox"/> Repair Parts: Included, Next Day 10:30 AM LST-MR-US <input type="checkbox"/> Software Upgrades and Updates: Software and Quality Updates <input type="checkbox"/> TIP Answer Line <input type="checkbox"/> Uptime Commitment: 97% <input type="checkbox"/> TiP Succeed Lifecycle Program: TVA on Demand <input type="checkbox"/> No SPH Part Fee for Hard Down: YES <input type="checkbox"/> TiP-Ed Online(TV) Subscription: TiP-Ed Online (TiP-TV) Subscription	\$96,815
GE MR MR MAGNET MAINTENANCE AND CRYOGEN (MSC28Z)	End of Warranty	Magnet Maintenance and Cryogen	INCLUDED: <input type="checkbox"/> MAGNET: 0.5T, 1.0T, 1.5T (NON-TWIN)	<input type="checkbox"/> FE Coverage HOURS/DAYS: MON-FRI, 8AM-9PM <input type="checkbox"/> InSite/Tech Phone Support: InSite / Tech Phone Support <input type="checkbox"/> Parts Shipping: Included, Next Day 10:30 AM LST-GENERAL	\$30,636
DIMPLEX MV PR DIMPLEX WO2- 5000 CHILLER (20 TON) (SDI020)	End of Warranty	AssurePoint Standard	INCLUDED: <input type="checkbox"/> Chiller Age: <11 Years Old EXCLUDED: <input type="checkbox"/> City Water Bypass or Other H/W <input type="checkbox"/> R22 Refrigerant	<input type="checkbox"/> FE Coverage HOURS/DAYS: MON-FRI, 8AM-5PM <input type="checkbox"/> FE Onsite Response Time: 24 Hours <input type="checkbox"/> PM Coverage HOURS/DAYS: MON-FRI, 8AM-5PM <input type="checkbox"/> Repair Parts: Included, Next Day 10:30 AM LST-A&S-US	\$5,800



Equipment	Effective Date	Offering	Options	Features	Annual Amount
SENTINELLE MV MR SENTINELLE MR TABLE (SSE001)	End of Warranty	AssurePoint Standard		<input type="checkbox"/> FE Coverage Weekdays: MON-FRI, 8AM-9PM <input type="checkbox"/> FE Coverage Weekend: NO COVERAGE HRS <input type="checkbox"/> FE Onsite Response Time: 4-Hours <input type="checkbox"/> InSite Response: 30 <input type="checkbox"/> InSite/Tech Phone Support <input type="checkbox"/> Repair Parts: Included, Next Day 10:30 AM LST-A&S <input type="checkbox"/> Uptime Commitment: 97%	\$15,000
TOTAL:					\$148,251

Please call me with any questions:
(615) 840-1169

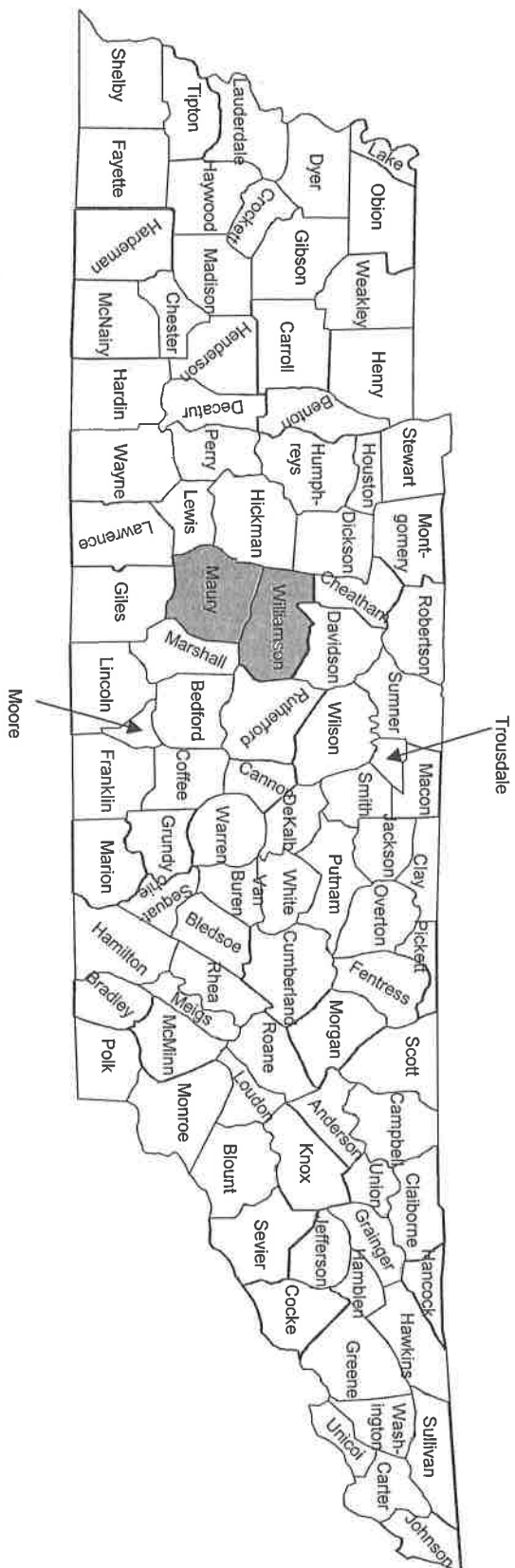
Respectfully,

Jillian Edwards
 Healthcare Services Account Manager



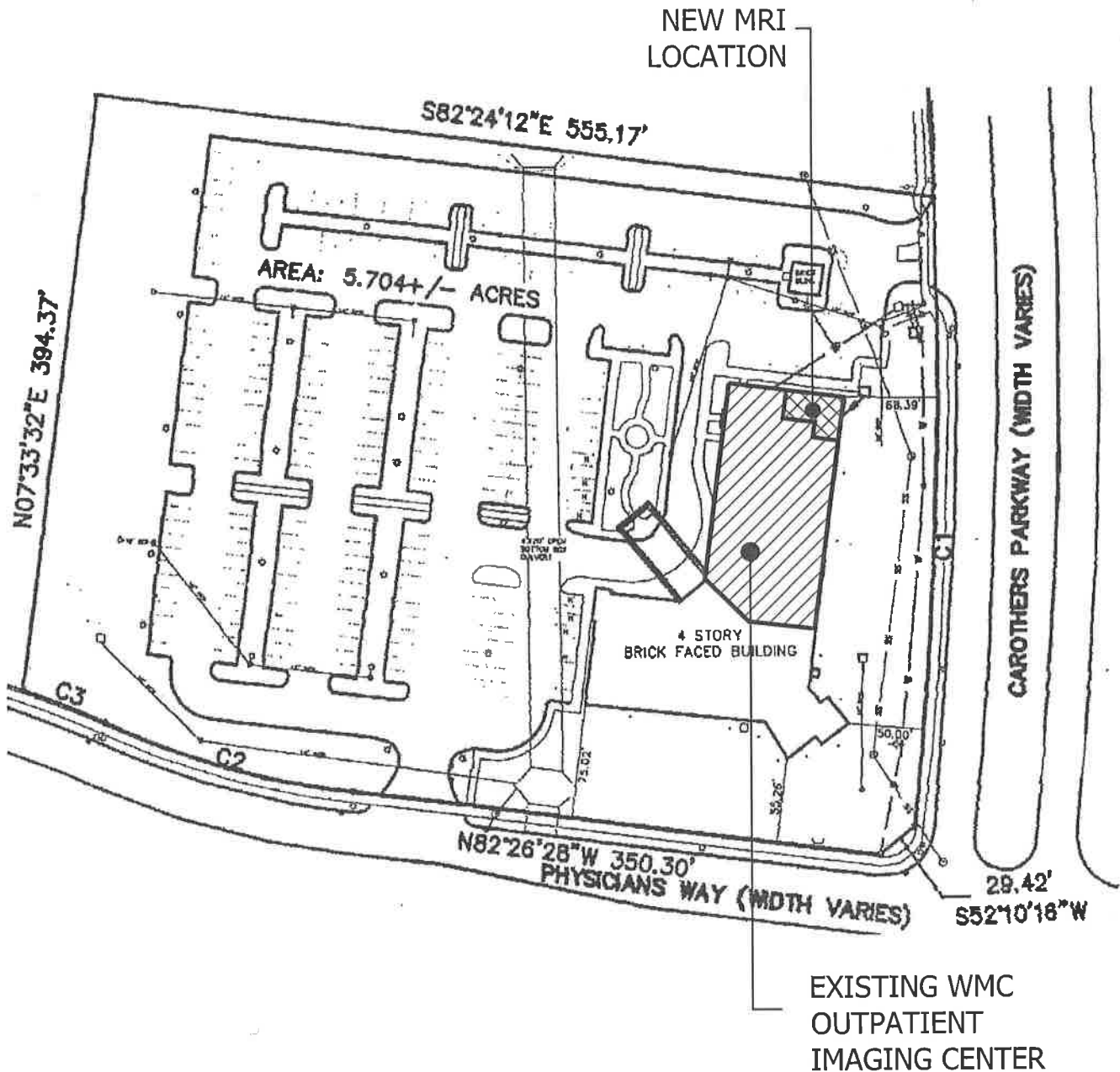
Attachment C. Need 3

Service Area Map



Attachment B.III.A

Plot Plan

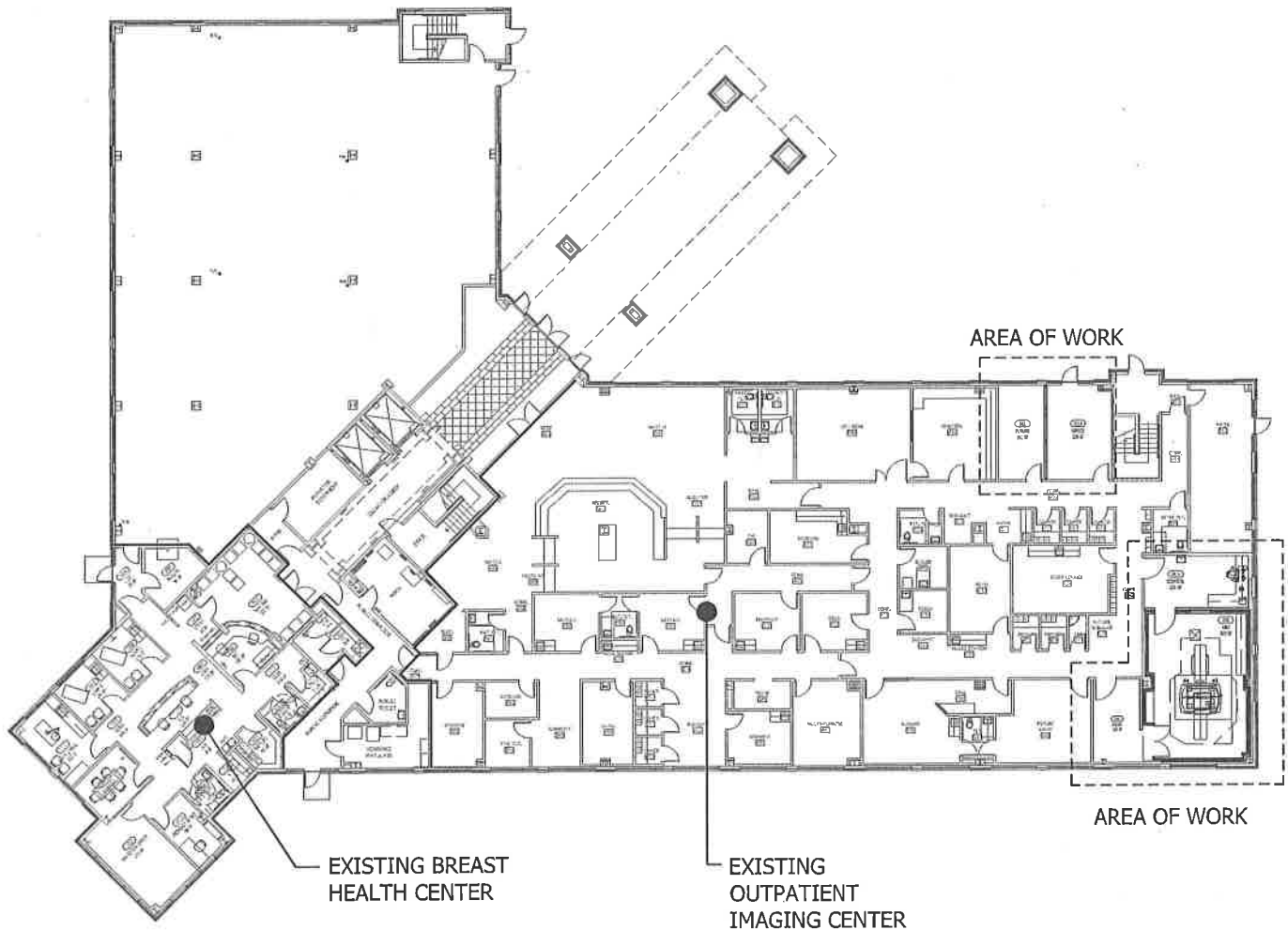


NEW MRI at WMC OUTPATIENT IMAGING CENTER for WILLIAMSON MEDICAL CENTER FRANKLIN, TN 37067

10/23/2015 - C.O.N. SUBMITTAL - NOT FOR CONSTRUCTION
HMK ARCHITECTS PLLC

Attachment B.IV

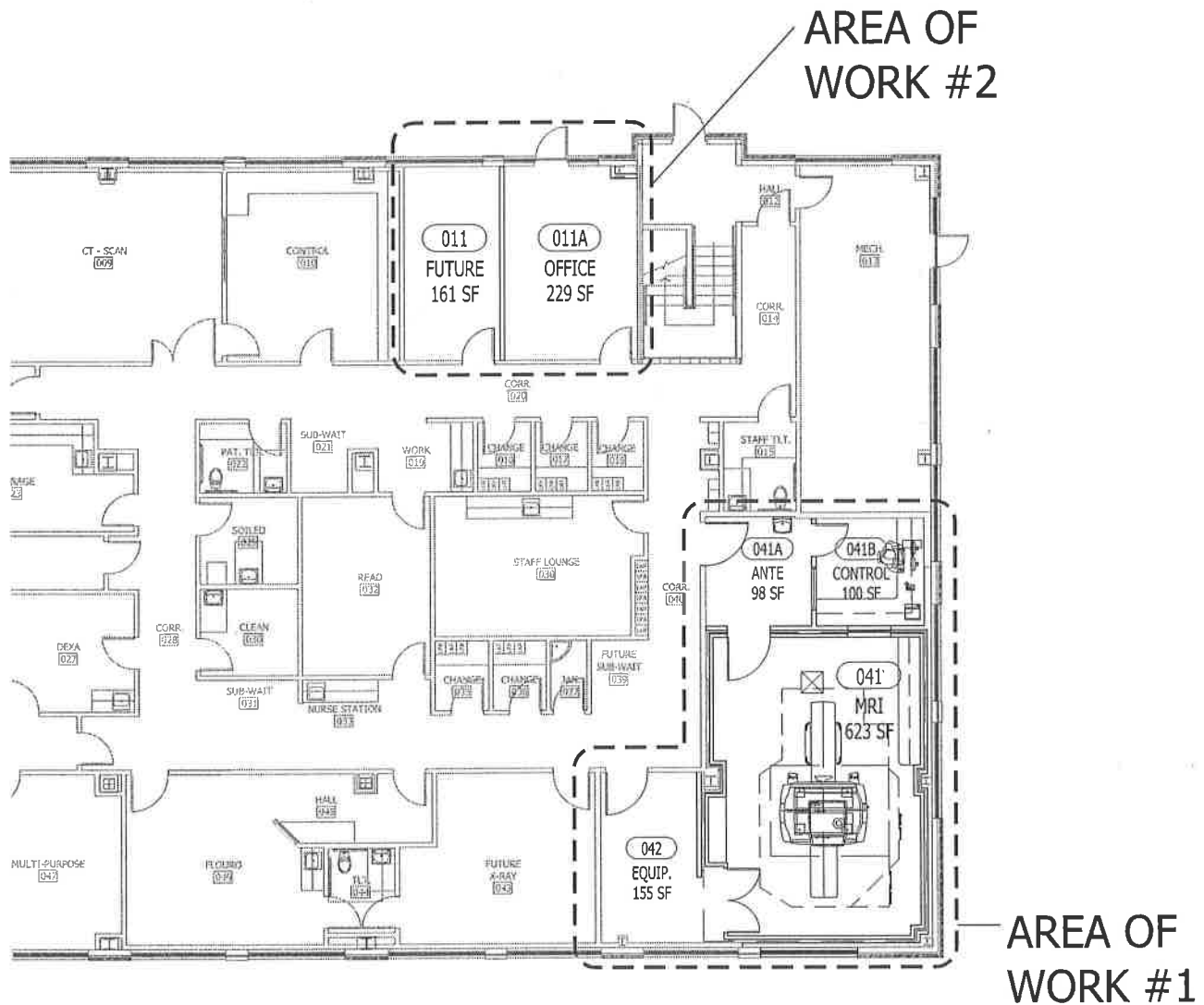
Floor Plan



NEW MRI at WMC OUTPATIENT IMAGING CENTER **for WILLIAMSON MEDICAL CENTER** FRANKLIN, TN 37067

10/23/2015 - C.O.N. SUBMITTAL - NOT FOR CONSTRUCTION
 HMK ARCHITECTS PLLC





NEW MRI at WMC OUTPATIENT IMAGING CENTER
for WILLIAMSON MEDICAL CENTER
 FRANKLIN, TN 37067

10/23/2015 - C.O.N. SUBMITTAL - NOT FOR CONSTRUCTION
 HMK ARCHITECTS PLLC



Attachment C. Economic Feasibility-1

Letter from Architect



October 23, 2015

Ms. Melanie Hill
Executive Director
State of Tennessee
Health Services and Development Agency
500 Deadrick Street, Suite 850
Nashville, TN 37243

RE: Williamson Medical Center, Franklin, Tennessee
MRI Room Buildout at the WMC Outpatient Imaging Center

Dear Ms. Hill:

We have reviewed the construction cost developed for the buildout of a new MRI room proposed for Williamson Medical Center's Outpatient Imaging Center, located on Carothers Parkway in Franklin, Tennessee. The construction cost of \$409,554 is based on the buildout of 1,388 square feet of interior shell space for the MRI room and associated support spaces.

It is our professional opinion that the construction cost proposed, which equates to \$295.00 per square foot, is consistent with historical data based on our experience with projects of a similar type and size. The small size of the project and the highly technical nature of the buildout contributes to the higher cost per square foot compared to larger projects. It is important to note that our opinion is based on normal market conditions, price escalation, etc.

The construction will include building out previously unfinished interior shell space within the Outpatient Imaging Center, and will include new metal stud framed walls, concrete floor slab, architectural woodwork, steel doors/frames, wood doors, drywall, interior finishes, specialty RF shielding and other similar work related specifically to the requirements of the MRI equipment, as well as mechanical, plumbing, electrical and fire protection systems.

Patient access to this MRI service is provided through the already existing WMC Outpatient Imaging Center.

The project will be developed under the current codes and standards enforced by the City of Franklin and the State of Tennessee as follows:

2012 International Building Code
2012 International Mechanical Code
2012 International Plumbing Code
2012 International Gas Code
2011 National Electrical Code

2012 NFPA 1, excluding NFPA 5000
2012 NFPA 101, Life Safety Code
2010 FGI Guidelines for the Design and Construction of Health Care Facilities
2002 North Carolina Accessibility Code with 2004 Amendments
2010 Americans with Disabilities Act (ADA)

If there are any questions, please do not hesitate to contact us.

Sincerely,

HMK ARCHITECTS PLLC

A handwritten signature in dark ink, appearing to read "Elizabeth W. Kickirillo". The signature is fluid and cursive, with the first name being the most prominent.

Elizabeth W. Kickirillo, NCARB, AIA – [TN License No. 101059]

Attachment C. Financial Feasibility-2

Letter from CFO



4321 Carothers Parkway • Franklin, TN 37067 • 615.435.5000

November 23, 2015

Ms. Melanie Hill, Executive Director
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

RE: Adequate Funding for Williamson Medical Center – Certificate of Need

Dear Ms. Hill:

Williamson Medical Center has sufficient cash reserves to fund the cost of MRI equipment for the proposed project described in the Certificate of Need application. The estimated total cost for certificate of need purposes is \$2,252,884.

Respectfully,

A handwritten signature in cursive script that reads "Paul Bolin".

Paul A. Bolin
Chief Financial Officer

Attachment C. Financial Feasibility-10

Financial Statements

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

**Audited Financial Statements
and Other Information**

June 30, 2015 and 2014

(With Independent Auditors' Report Thereon)

LBMC

**MAKE A GOOD
BUSINESS BETTER**

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	40 - 41

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Williamson County Hospital District
Franklin, Tennessee:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Williamson County Hospital District (Williamson Medical Center) (the "Medical Center"), a component unit of Williamson County, Tennessee, as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Medical Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Williamson County Hospital District as of June 30, 2015 and 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 - 7 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2015 on our consideration of the Medical Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Medical Center's internal control over financial reporting and compliance.

LBMC, PC

Brentwood, Tennessee
September 25, 2015

**WILLIAMSON COUNTY HOSPITAL DISTRICT
(WILLIAMSON MEDICAL CENTER)**

Management's Discussion and Analysis

This section presents management's discussion and analysis of the financial performance of Williamson County Hospital District (Williamson Medical Center) (the Medical Center) for the fiscal years ended June 30, 2013 thru June 30, 2015. Please read this discussion in conjunction with the Medical Center's financial statements and accompanying footnotes.

USING THE ANNUAL FINANCIAL REPORT

The Medical Center is operated and maintained by Williamson County, Tennessee (the County). The County Commission adopted a resolution in 1992, in conjunction with acquiring title to the property and equipment of the District, giving the District complete authority and responsibility to manage and operate the Medical Center as provided in Chapter 107 of the Private Act of 1957 passed by the Tennessee legislature. For financial reporting purposes, the Medical Center is considered a component unit of the County.

The financial statements include the accounts and operations of the Medical Center, as well as those of the Williamson Medical Center Foundation, a discretely presented component unit. The Medical Center follows the accrual method of accounting. Revenues are recognized in the period earned; expenses are recorded at the time liabilities are incurred.

The financial statements consist of statements of net position, statements of revenue, expenses and changes in net position and statements of cash flows. The accompanying notes to the financial statements are an integral part of the financial statements and are essential to understanding the data contained in the financial statements. The balance sheets provide descriptions of the Medical Center's financial position. The statements of revenues, expenses and changes in net position report the revenues and expenses related to the Medical Center's activities.

The Medical Center utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis, which is an economic resources measurement focus approach to accounting. In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 makes the GASB Accounting Standards Codification the sole source of authoritative accounting technical literature for governmental entities in the United States of America. In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*. GASB 62 and 63 were effective for periods beginning after December 15, 2011.

NOTEWORTHY FINANCIAL ACTIVITY

- Key measures of patient activity are noted below. Admissions increased by 801 or 8.2% over the prior year. Patient days increased by 1,882 or 5.5%. The difference in these two percentages support a drop in length of stay by .1 from the prior year. Equivalent patient days which is a method of measuring outpatient activity increased by 5,994 or 7.3% over the prior fiscal year. Surgeries remained constant compared to the prior year. Emergency Room visits increased by 2,568 or 7.4% and births were up by 111 or 6.8%.

	Year Ended June 30,		
	2015	2014	2013
Admissions	10,533	9,732	9,563
Patient Days	35,988	34,106	35,239
Length of Stay	3.4	3.5	3.6
Equivalent patient days	88,623	82,629	85,009
Surgeries	9,653	9,631	9,487
Emergency Room Visits	37,306	34,738	36,184
Births	1,752	1,641	1,521
Case mix index	1.25	1.34	1.23

**WILLIAMSON COUNTY HOSPITAL DISTRICT
(WILLIAMSON MEDICAL CENTER)**

Management's Discussion and Analysis

- Payor mix is based on gross charges. Compared to 2014, minimal changes have occurred. Managed care increased 1.1%, Commercial decreased .9%, Blue Cross increased 1.3% and self-pay decreased .7%.

	Year ended June 30,		
	2015	2014	2013
Medicare	41.2%	41.5%	40.0%
Managed Care	15.0%	13.9%	10.7%
Commercial	6.4%	7.3%	10.1%
TennCare	5.1%	5.5%	5.8%
Self Pay	4.0%	4.7%	5.2%
Workers Comp	.8%	0.7%	0.7%
Blue Cross	27.4%	26.1%	27.4%
Medassist	.1%	0.3%	0.1%
	100.0%	100.0%	100.0%

BALANCE SHEET

	Year ended June 30,		
	2015	2014	2013
Assets:			
Current assets	\$ 42,613,803	\$ 38,133,162	\$ 40,606,830
Property and equipment, net	181,461,928	133,175,579	117,155,268
Non-current assets limited as to use	28,027,601	71,069,595	45,647,226
Other non-current assets	15,071,038	14,261,783	8,447,387
Total assets	267,174,370	256,640,119	211,856,711
Deferred outflows of resources – excess consideration provided by acquisition	1,732,362	1,732,362	1,732,362
Liabilities:			
Current liabilities	23,881,131	24,922,018	23,775,545
Bonds, notes payable and obligations under capital lease, excluding current portion	63,017,057	67,509,853	30,105,404
Total liabilities	86,898,188	92,431,871	53,880,949
Net position:			
Net investment in capital assets	111,033,345	58,386,762	76,910,033
Restricted expendable net assets	3,022,541	1,876,561	909,690
Unrestricted	67,952,658	105,677,287	81,888,401
Total net position	\$182,008,544	\$165,940,610	\$159,708,124

As of June 30, 2015 the Medical Center's current assets of \$42.6 million were sufficient to cover current liabilities of \$23.8 million (current ratio of 1.8 compared to 1.5 in the prior year). The Debt Service Coverage Ratio for June 30, 2015 was at 2.8 compared to 2.7 for June 30, 2014. Day's cash on hand was 109.1 at June 30, 2015 versus 138.7 at June 30, 2014, a decrease of 21.4%. The decrease in day's cash on hand is due to partial funding of the Pediatric Emergency room and inpatient wing with funds from operations.

**WILLIAMSON COUNTY HOSPITAL DISTRICT
(WILLIAMSON MEDICAL CENTER)**

Management's Discussion and Analysis

OPERATING RESULTS AND CHANGES IN THE MEDICAL CENTER'S NET ASSETS

	Year ended June 30,		
	2015	2014	2013
Operating revenues:			
Net patient service revenue	\$168,910,998	\$156,083,037	\$151,373,539
Contributions	1,471,291	1,132,168	135,180
Other operating revenue	3,952,059	4,245,355	5,161,038
Total operating revenues	174,334,348	161,460,560	156,669,757
Operating expenses:			
Salaries, wages and benefits	84,108,656	84,230,904	80,239,766
Supplies and other	66,485,470	63,502,613	59,942,575
Depreciation and amortization	10,682,803	10,663,947	10,974,242
Total operating expenses	161,276,929	158,397,464	151,156,583
Operating income	13,057,419	3,063,096	5,513,174
Non-operating revenue (expenses)			
Investment income	464,016	477,863	441,356
Interest expense	(1,270,929)	(1,238,212)	(1,406,939)
Income (loss) on investment in joint venture	1,299,933	1,466,983	4,699
Contributions received from Williamson County	1,943,624	1,943,624	1,943,624
Other, net	573,871	519,132	207,993
Non-operating revenue (expenses), net	3,010,515	3,169,390	1,190,733
Excess of revenues over expenses	16,067,934	6,232,486	6,703,907
Net position, beginning of year	165,940,610	159,708,124	153,004,217
Net position, end of year	\$182,008,544	\$165,940,610	\$159,708,124

- Total operating revenues for 2015 are comprised of net patient service revenue (\$169 million), contributions (\$1.4 million) and other operating revenue (\$3.9 million).
- Net operating revenue for fiscal year 2015 increased by \$12.8 million or 8.0% from prior year. Net patient service revenue for 2015 represents 32.4% of gross service charges, down from 32.7% of gross charges in 2014. Contractual arrangements with third-party payors, bad debt and charity care account for the difference between gross service charges and net patient service revenue.
- Salaries, wages and benefits decreased by \$122,248 or 0.15% over the prior fiscal year. The decrease was due to targeted merit increase freezes and managing to productivity benchmarks. The Full Time Equivalents (FTEs) were 1,140 and 1,182 in fiscal years 2015 and 2014, respectively. The salaries, wages and benefits expense accounted for 52.2% of the total operating expenses for 2015 as compared to 53.2% in 2014.

**WILLIAMSON COUNTY HOSPITAL DISTRICT
(WILLIAMSON MEDICAL CENTER)**

Management's Discussion and Analysis

- Total operating expenses for 2015, including depreciation and amortization of \$10.7 million, were \$161.3 million, \$2.9 million or 1.8% over the prior year. Salaries and depreciation varied only slightly. Supplies and other costs accounted for the majority of the \$2.9 million increase.

THE MEDICAL CENTER'S CASH FLOWS

In the current fiscal year, a pediatric emergency room and children's inpatient wing were funded, as planned, with operating reserves from the hospital's funded depreciation account. This impacted the Day's Cash on Hand ratios. The 12 month average for fiscal year 2015 was 134.6 compared to 150.6 for 2014.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of 2015, the Medical Center had \$181.4 million invested in capital assets, net of accumulated depreciation as compared to \$133.1 million in 2014. The net increase is a result the total assets purchased of \$59.0 million and depreciation expense of \$10.7 million.

REQUEST FOR INFORMATION

The Financial Statements and Management's Discussion and Analysis are designed to provide a summary and general overview of the Medical Center's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to the Chief Financial Officer of Williamson Medical Center at 4321 Carothers Parkway, Franklin, Tennessee 37067.

**WILLIAMSON COUNTY HOSPITAL DISTRICT
(WILLIAMSON MEDICAL CENTER)**

Management's Discussion and Analysis

WILLIAMSON MEDICAL CENTER OFFICERS

Donald Webb, Chief Executive Officer
Paul Bolin, Chief Financial Officer
Julie Miller, Chief Operating Officer
Lori Orme, Chief Nursing Officer
Ashley Perkins, Associate Administrator-Nursing
Tim Burton, Associate Administrator-Operations
Phyllis Molyneux, Associate Administrator- Human Resources and Compliance
Starling Evins, MD, Chief Medical Officer

WILLIAMSON MEDICAL CENTER BOARD OF TRUSTEES

Rogers Anderson
A.J. Bethurum, M.D.
James (Bo) Butler
Bertram (Bert) Chalfant
Jim Cross, IV
Brown Daniel
Russell Little
Joel Locke, M.D.
Kathy McGee
Mary Mills
Jack Walton
Cheryl Wilson

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Statements of Net Position

June 30, 2015

	<u>Primary Enterprise</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
<u>Assets</u>			
Current assets:			
Cash	\$ 17,413,706	\$ -	\$ 17,413,706
Assets limited as to use by management for current liabilities	2,673,366	-	2,673,366
Patient accounts receivable, less allowance for uncollectible accounts of \$8,633,182	18,338,160	-	18,338,160
Other receivables	207,779	345,505	553,284
Inventories	2,523,020	-	2,523,020
Prepaid expenses	<u>1,112,267</u>	<u>-</u>	<u>1,112,267</u>
Total current assets	42,268,298	345,505	42,613,803
Assets limited as to use, excluding assets required for current liabilities:			
By Board for capital improvements	26,403,462	-	26,403,462
By Board for bond principal and interest payments	2,673,366	-	2,673,366
By donors	<u>-</u>	<u>1,624,139</u>	<u>1,624,139</u>
Total assets limited as to use	29,076,828	1,624,139	30,700,967
Less: amount classified as current	<u>(2,673,366)</u>	<u>-</u>	<u>(2,673,366)</u>
	26,403,462	1,624,139	28,027,601
Property and equipment, net	181,461,928	-	181,461,928
Other assets:			
Other receivables, less current portion	15,055	1,007,556	1,022,611
Investment in joint ventures	13,956,759	-	13,956,759
Other	<u>91,668</u>	<u>-</u>	<u>91,668</u>
Total other assets	<u>14,063,482</u>	<u>1,007,556</u>	<u>15,071,038</u>
Total assets	<u>264,197,170</u>	<u>2,977,200</u>	<u>267,174,370</u>
Deferred outflows of resources - excess consideration provided for acquisition	<u>1,732,362</u>	<u>-</u>	<u>1,732,362</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Statements of Net Position, Continued

June 30, 2015

	<u>Primary Enterprise</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	6,368,556	-	6,368,556
Accrued payroll, compensated absences and payroll related liabilities	7,293,807	-	7,293,807
Accrued expenses and other liabilities	2,357,405	-	2,357,405
Accrued interest expense	294,716	-	294,716
Current portion of long-term debt	7,193,495	-	7,193,495
Current portion of capital lease obligations	218,031	-	218,031
Estimated third-party payor settlements	<u>155,121</u>	<u>-</u>	<u>155,121</u>
Total current liabilities	23,881,131	-	23,881,131
Long-term debt, excluding current portion	62,703,408	-	62,703,408
Capital lease obligations, excluding current portion	<u>313,649</u>	<u>-</u>	<u>313,649</u>
Total liabilities	<u>86,898,188</u>	<u>-</u>	<u>86,898,188</u>
<u>Net Position</u>			
Net position:			
Unrestricted:			
Net investment in capital assets	111,033,345	-	111,033,345
Unrestricted	<u>67,952,658</u>	<u>-</u>	<u>67,952,658</u>
Total unrestricted net position	178,986,003	-	178,986,003
Restricted - by donors	<u>45,341</u>	<u>2,977,200</u>	<u>3,022,541</u>
Total net position	<u>\$ 179,031,344</u>	<u>\$ 2,977,200</u>	<u>\$ 182,008,544</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Statements of Net Position

June 30, 2014

	<u>Primary Enterprise</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
<u>Assets</u>			
Current assets:			
Cash	\$ 10,407,865	\$ -	\$ 10,407,865
Assets limited as to use by management for current liabilities	3,024,378	-	3,024,378
Patient accounts receivable, less allowance for uncollectible accounts of \$7,287,991	18,342,212	-	18,342,212
Other receivables	1,178,422	190,000	1,368,422
Inventories	3,781,625	-	3,781,625
Prepaid expenses	<u>1,208,660</u>	<u>-</u>	<u>1,208,660</u>
Total current assets	37,943,162	190,000	38,133,162
Assets limited as to use, excluding assets required for current liabilities:			
By Board for capital improvements	70,118,352	-	70,118,352
By Board for bond principal and interest payments	3,024,378	-	3,024,378
By donors	<u>-</u>	<u>951,243</u>	<u>951,243</u>
Total assets limited as to use	73,142,730	951,243	74,093,973
Less: amount classified as current	<u>(3,024,378)</u>	<u>-</u>	<u>(3,024,378)</u>
	70,118,352	951,243	71,069,595
Property and equipment, net	133,175,579	-	133,175,579
Other assets:			
Other receivables, less current portion	52,694	690,000	742,694
Investment in joint ventures	13,417,236	-	13,417,236
Other	<u>101,853</u>	<u>-</u>	<u>101,853</u>
Total other assets	<u>13,571,783</u>	<u>690,000</u>	<u>14,261,783</u>
Total assets	<u>254,808,876</u>	<u>1,831,243</u>	<u>256,640,119</u>
Deferred outflows of resources - excess consideration provided for acquisition	<u>1,732,362</u>	<u>-</u>	<u>1,732,362</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Statements of Net Position, Continued

June 30, 2014

	<u>Primary Enterprise</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	8,241,594	-	8,241,594
Accrued payroll, compensated absences and payroll related liabilities	6,757,797	-	6,757,797
Accrued expenses and other liabilities	2,209,436	-	2,209,436
Accrued interest expense	309,227	-	309,227
Current portion of long-term debt	7,118,733	-	7,118,733
Current portion of capital lease obligations	160,231	-	160,231
Estimated third-party payor settlements	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Total current liabilities	24,922,018	-	24,922,018
Long-term debt, excluding current portion	<u>67,509,853</u>	<u>-</u>	<u>67,509,853</u>
Total liabilities	<u>92,431,871</u>	<u>-</u>	<u>92,431,871</u>
<u>Net Position</u>			
Net position:			
Unrestricted:			
Net investment in capital assets	58,386,762	-	58,386,762
Unrestricted	<u>105,677,287</u>	<u>-</u>	<u>105,677,287</u>
Total unrestricted net position	164,064,049	-	164,064,049
Restricted - by donors	<u>45,318</u>	<u>1,831,243</u>	<u>1,876,561</u>
Total net position	<u>\$ 164,109,367</u>	<u>\$ 1,831,243</u>	<u>\$ 165,940,610</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Statements of Revenues, Expenses and Changes in Net Position

Year ended June 30, 2015

	Primary <u>Enterprise</u>	Component <u>Unit</u>	Total Reporting <u>Entity</u>
Operating revenue:			
Net patient service revenue, net of provision for bad debts of \$13,171,452	\$ 168,910,998	\$ -	\$ 168,910,998
Contributions	-	1,471,291	1,471,291
Other revenue	<u>3,952,059</u>	<u>-</u>	<u>3,952,059</u>
Total operating revenue	<u>172,863,057</u>	<u>1,471,291</u>	<u>174,334,348</u>
Operating expenses:			
Salaries and wages	71,013,902	-	71,013,902
Employee benefits	13,094,754	-	13,094,754
Supplies	38,248,339	-	38,248,339
Purchased services	7,696,240	-	7,696,240
Repairs and maintenance	5,225,965	-	5,225,965
Leases and rentals	1,797,675	-	1,797,675
Insurance	1,125,020	-	1,125,020
Depreciation and amortization	10,682,803	-	10,682,803
Other expenses	<u>12,055,838</u>	<u>336,393</u>	<u>12,392,231</u>
Total operating expenses	<u>160,940,536</u>	<u>336,393</u>	<u>161,276,929</u>
Operating income	<u>11,922,521</u>	<u>1,134,898</u>	<u>13,057,419</u>
Nonoperating income (expenses):			
Investment income	452,957	11,059	464,016
Interest expense	(1,270,929)	-	(1,270,929)
Equity in earnings of joint ventures	1,299,933	-	1,299,933
Contributions received from Williamson County	1,943,624	-	1,943,624
Other, net	<u>573,871</u>	<u>-</u>	<u>573,871</u>
Net nonoperating income	<u>2,999,456</u>	<u>11,059</u>	<u>3,010,515</u>
Excess of revenues over expenses	14,921,977	1,145,957	16,067,934
Net position at beginning of year	<u>164,109,367</u>	<u>1,831,243</u>	<u>165,940,610</u>
Net position at end of year	\$ <u>179,031,344</u>	\$ <u>2,977,200</u>	\$ <u>182,008,544</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Statements of Revenues, Expenses and Changes in Net Position

Year ended June 30, 2014

	<u>Primary Enterprise</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
Operating revenue:			
Net patient service revenue, net of provision for bad debts of \$12,911,855	\$ 156,083,037	\$ -	\$ 156,083,037
Contributions	-	1,132,168	1,132,168
Other revenue	<u>4,245,355</u>	<u>-</u>	<u>4,245,355</u>
Total operating revenue	<u>160,328,392</u>	<u>1,132,168</u>	<u>161,460,560</u>
Operating expenses:			
Salaries and wages	71,345,611	-	71,345,611
Employee benefits	12,885,293	-	12,885,293
Supplies	36,585,119	-	36,585,119
Purchased services	7,133,563	-	7,133,563
Repairs and maintenance	4,887,263	-	4,887,263
Leases and rentals	2,389,184	-	2,389,184
Insurance	1,172,687	-	1,172,687
Depreciation and amortization	10,663,947	-	10,663,947
Other expenses	<u>11,087,051</u>	<u>247,746</u>	<u>11,334,797</u>
Total operating expenses	<u>158,149,718</u>	<u>247,746</u>	<u>158,397,464</u>
Operating income	<u>2,178,674</u>	<u>884,422</u>	<u>3,063,096</u>
Nonoperating income (expenses):			
Investment income	394,173	83,690	477,863
Interest expense	(1,238,212)	-	(1,238,212)
Equity in earnings of joint ventures	1,466,983	-	1,466,983
Contributions received from Williamson County	1,943,624	-	1,943,624
Other, net	<u>519,132</u>	<u>-</u>	<u>519,132</u>
Net nonoperating income	<u>3,085,700</u>	<u>83,690</u>	<u>3,169,390</u>
Excess of revenues over expenses	5,264,374	968,112	6,232,486
Net position at beginning of year	<u>158,844,993</u>	<u>863,131</u>	<u>159,708,124</u>
Net position at end of year	<u>\$ 164,109,367</u>	<u>\$ 1,831,243</u>	<u>\$ 165,940,610</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Statements of Cash Flows

Year ended June 30, 2015

	Primary <u>Enterprise</u>	Component <u>Unit</u>	Total Reporting <u>Entity</u>
Cash flows from operating activities:			
Receipts from and on behalf of patients	\$ 168,945,171	\$ -	\$ 168,945,171
Receipts from other operations	2,982,703	998,230	3,980,933
Rent receipts	1,977,638	-	1,977,638
Payments to vendors for supplies and other	(67,819,148)	(336,393)	(68,155,541)
Payments to employees	<u>(83,572,646)</u>	<u>-</u>	<u>(83,572,646)</u>
Net cash provided by operating activities	22,513,718	661,837	23,175,555
Cash flows from noncapital financing activities:			
Contributions received from Williamson County	<u>1,943,624</u>	<u>-</u>	<u>1,943,624</u>
Net cash provided by noncapital financing activities	1,943,624	-	1,943,624
Cash flows from capital and related financing activities:			
Capital expenditures, net	(57,041,841)	-	(57,041,841)
Principal paid on long-term debt	(7,304,183)	-	(7,304,183)
Proceeds from issuance of debt	2,572,500	-	2,572,500
Repayment of capital lease obligations	(245,677)	-	(245,677)
Interest paid on long-term debt	<u>(1,285,440)</u>	<u>-</u>	<u>(1,285,440)</u>
Net cash used by capital and related financing activities	(63,304,641)	-	(63,304,641)
Cash flows from investing activities:			
Distributions from joint ventures	760,410	-	760,410
Investment income	452,957	11,059	464,016
Other, net	573,871	-	573,871
Purchase of investments	<u>-</u>	<u>(7,485)</u>	<u>(7,485)</u>
Net cash provided by investing activities	<u>1,787,238</u>	<u>3,574</u>	<u>1,790,812</u>
Net increase (decrease) in cash and cash equivalents	(37,060,061)	665,411	(36,394,650)
Cash and cash equivalents at beginning of year	<u>83,550,595</u>	<u>131,200</u>	<u>83,681,795</u>
Cash and cash equivalents at end of year	\$ <u>46,490,534</u>	\$ <u>796,611</u>	\$ <u>47,287,145</u>
Noncash transactions:			
Acquisition of property and equipment through exchange of inventory	\$ <u>1,300,000</u>	\$ <u>-</u>	\$ <u>1,300,000</u>
Acquisition of property and equipment through capital lease	\$ <u>617,126</u>	\$ <u>-</u>	\$ <u>617,126</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Statements of Cash Flows, Continued

Year ended June 30, 2015

	<u>Primary Enterprise</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
Reconciliation of cash and cash equivalents to the balance sheets:			
Cash	\$ 17,413,706	\$ -	\$ 17,413,706
Cash and cash equivalents included in assets limited as to use	<u>29,076,828</u>	<u>796,611</u>	<u>29,873,439</u>
Cash and cash equivalents	<u>\$ 46,490,534</u>	<u>\$ 796,611</u>	<u>\$ 47,287,145</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 11,922,521	\$ 1,134,898	\$ 13,057,419
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	10,682,803	-	10,682,803
Provision for bad debts	13,171,452	-	13,171,452
(Increase) decrease in operating assets:			
Patient accounts receivable, net	(13,167,400)	-	(13,167,400)
Other receivables	1,008,282	(473,061)	535,221
Inventory	(41,395)	-	(41,395)
Prepaid expenses	96,393	-	96,393
Increase (decrease) in operating liabilities:			
Accounts payable	(1,873,038)	-	(1,873,038)
Accrued payroll, compensated absences and payroll related liabilities	536,010	-	536,010
Accrued expenses and other liabilities	147,969	-	147,969
Estimated third-party payor settlements	<u>30,121</u>	<u>-</u>	<u>30,121</u>
Total adjustments	<u>10,591,197</u>	<u>(473,061)</u>	<u>10,118,136</u>
Net cash provided by operating activities	<u>\$ 22,513,718</u>	<u>\$ 661,837</u>	<u>\$ 23,175,555</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Statements of Cash Flows

Year ended June 30, 2014

	<u>Primary Enterprise</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
Cash flows from operating activities:			
Receipts from and on behalf of patients	\$ 154,912,157	\$ -	\$ 154,912,157
Receipts from other operations	1,161,013	252,168	1,413,181
Rent receipts	2,131,489	-	2,131,489
Payments to vendors for supplies and other	(60,408,101)	(247,746)	(60,655,847)
Payments to employees	<u>(84,118,721)</u>	<u>-</u>	<u>(84,118,721)</u>
Net cash provided by operating activities	13,677,837	4,422	13,682,259
Cash flows from noncapital financing activities:			
Contributions received from Williamson County	<u>1,943,624</u>	<u>-</u>	<u>1,943,624</u>
Net cash provided by noncapital financing activities	1,943,624	-	1,943,624
Cash flows from capital and related financing activities:			
Capital expenditures, net	(26,674,073)	-	(26,674,073)
Principal paid on long-term debt	(5,890,434)	-	(5,890,434)
Proceeds from issuance of debt	40,775,000	-	40,775,000
Repayment of capital lease obligations	(340,984)	-	(340,984)
Interest paid on long-term debt	<u>(1,048,783)</u>	<u>-</u>	<u>(1,048,783)</u>
Net cash provided by capital and related financing activities	6,820,726	-	6,820,726
Cash flows from investing activities:			
Purchase of interest in joint venture	(4,500,000)	-	(4,500,000)
Distributions from joint ventures	709,697	-	709,697
Investment income	394,173	83,690	477,863
Other, net	519,132	-	519,132
Purchase of investments	<u>-</u>	<u>(81,266)</u>	<u>(81,266)</u>
Net cash provided (used) by investing activities	<u>(2,876,998)</u>	<u>2,424</u>	<u>(2,874,574)</u>
Net increase in cash and cash equivalents	19,565,189	6,846	19,572,035
Cash and cash equivalents at beginning of year	<u>63,985,406</u>	<u>124,354</u>	<u>64,109,760</u>
Cash and cash equivalents at end of year	\$ <u>83,550,595</u>	\$ <u>131,200</u>	\$ <u>83,681,795</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Statements of Cash Flows, Continued

Year ended June 30, 2014

	Primary <u>Enterprise</u>	Component <u>Unit</u>	Total Reporting <u>Entity</u>
Reconciliation of cash and cash equivalents to the balance sheets:			
Cash	\$ 10,407,865	\$ -	\$ 10,407,865
Cash and cash equivalents included in assets limited as to use	<u>73,142,730</u>	<u>131,200</u>	<u>73,273,930</u>
Cash and cash equivalents	<u>\$ 83,550,595</u>	<u>\$ 131,200</u>	<u>\$ 83,681,795</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 2,178,674	\$ 884,422	\$ 3,063,096
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	10,663,947	-	10,663,947
Provision for bad debts	12,911,855	-	12,911,855
(Increase) decrease in operating assets:			
Patient accounts receivable, net	(14,057,735)	-	(14,057,735)
Other receivables	(952,853)	(880,000)	(1,832,853)
Inventories	(400,201)	-	(400,201)
Prepaid expenses	(483,761)	-	(483,761)
Increase (decrease) in operating liabilities:			
Accounts payable	3,946,756	-	3,946,756
Accrued payroll, compensated absences and payroll related liabilities	112,183	-	112,183
Accrued expenses and other liabilities	(216,028)	-	(216,028)
Estimated third-party payor settlements	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>
Total adjustments	<u>11,499,163</u>	<u>(880,000)</u>	<u>10,619,163</u>
Net cash provided by operating activities	<u>\$ 13,677,837</u>	<u>\$ 4,422</u>	<u>\$ 13,682,259</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Notes to the Financial Statements

June 30, 2015 and 2014

(1) Nature of operations

(a) Organization

Primary Enterprise: Williamson County Hospital District (the "District") operates under the name of Williamson Medical Center (the "Medical Center") and is a general short-term acute care hospital organized as a political subdivision of Williamson County, Tennessee (the "County"). The Medical Center constitutes a component unit of the County, which is considered the primary government unit. The County Commission adopted a resolution in 1992, in conjunction with acquiring title to the property and equipment of the District, giving the District complete authority and responsibility to manage and operate the Medical Center as provided in Chapter 107 of the Private Act of 1957 passed by the Tennessee legislature. The County is financially accountable as it appoints a voting majority of the District's Board of Trustees and the full faith and credit of the County is pledged for payment of principal and interest on the outstanding hospital revenue and tax bonds.

The primary mission of the Medical Center is to provide inpatient and outpatient healthcare services to citizens of Williamson County and surrounding areas. The Medical Center also provides ambulance services in Williamson County.

Discretely Presented Component Unit: Williamson Medical Center Foundation (the "Foundation") is a tax-exempt organization which was established in 2003. The Foundation was formed to coordinate the fund-raising and development activities of the Medical Center which is the sole member of the organization. The activities of the Foundation are reflected in the operating, nonoperating revenues (expenses) and capital grants and contributions as they relate to the Foundation in the accompanying statements of revenues, expenses, and changes in net position. All assets of the Foundation, other than unconditional promises to give, are shown as part of assets limited as to use in the accompanying statements of net position. No contributions to the Foundation were used for capital purposes, and thus all contributions during 2015 and 2014 were classified as operating activities.

The Medical Center follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. As a result, the Foundation is included in the accompanying financial statements as a discretely presented component unit of the Medical Center.

As required by accounting principles generally accepted in the United States of America, these financial statements present both Williamson Medical Center and its discretely presented component unit (collectively referred to as the reporting entity).

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Notes to the Financial Statements

June 30, 2015 and 2014

Financial statements for the discretely presented individual component unit may be obtained at the following address:

Williamson Medical Center
4321 Carothers Parkway
Franklin, TN 37067

(2) Summary of significant accounting policies

(a) Basis of presentation

The Medical Center utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis, which is an economic resources measurement focus approach to accounting. In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 makes the *GASB Accounting Standards Codification* the sole source of authoritative accounting technical literature for governmental entities in the United States of America. In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*. GASB 62 and 63 were effective for periods beginning after December 15, 2011.

(b) Cash and cash equivalents

The Medical Center considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of amounts maintained in bank deposits and overnight repurchase agreements which are insured by the Federal Deposit Insurance Corporation or are otherwise collateralized.

(c) Inventories

Inventories consist principally of medical and pharmaceutical supplies and are stated at the lower of cost, determined on the first-in, first-out (FIFO) basis, or market (net realizable value).

(d) Assets limited as to use

Assets limited as to use include cash and investments designated by the Board of Trustees for future capital improvements and debt repayment, over which the Board retains control and may at its discretion use for other purposes; cash and investments from County bond proceeds to be used for capital improvements; and restricted cash and investments from donors through the Foundation. Investments are reported at fair value in accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Notes to the Financial Statements

June 30, 2015 and 2014

(e) Property and equipment

Property and equipment are recorded at cost. The Medical Center capitalizes purchases that cost a minimum of \$5,000 and have a useful life greater than 2 years. Assets are depreciated on a straight-line basis over their estimated useful lives as follows: land improvements 2-25 years; buildings generally 40 years; fixed equipment 5-20 years; and major movable equipment 3-20 years. Assets under capital leases are included in property and equipment and the related amortization and accumulated amortization is included in depreciation and amortization expense and accumulated depreciation and amortization, respectively. The Medical Center reviews the carrying values of long-lived assets if facts and circumstances indicate that recoverability may have been impaired. Costs of maintenance and minor repairs are expensed as incurred. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

(f) Investment in joint ventures

Investment in joint ventures are accounted for under the equity method of accounting and the Medical Center recognizes its proportionate share in the results of the underlying activities of the joint ventures.

(g) Excess consideration provided for acquisition

The Medical Center evaluates excess consideration provided for acquisition for impairment on an annual basis or more frequently if impairment indicators arise. In the event excess consideration provided for acquisition is considered to be impaired, a charge to earnings would be recorded during the period in which management makes such impairment assessment.

(h) Accrual for compensated absences

The Medical Center recognizes an expense and accrues a liability for compensated future employee absences in the period in which employees' rights to such compensated absences are earned. Compensated absences consist of paid days off including holiday, vacation, sick and bereavement days to qualifying employees.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Notes to the Financial Statements

June 30, 2015 and 2014

(i) Patient service revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

(j) Risk management

The Medical Center is exposed to various risks of loss from medical malpractice; torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. Commercial insurance is purchased for claims arising from such matters. The Medical Center is self-insured for employee medical and other healthcare benefit claims and judgments as discussed in Note 15.

(k) Income taxes

The Medical Center is classified as an organization exempt from federal income taxes as it is a political subdivision of Williamson County. The Foundation is classified as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

(l) Net position

The Medical Center's net position is classified in three components. The *net investment in capital assets* consist of capital assets net of accumulated depreciation and reduced by the remaining balances of any outstanding borrowings used to finance the purchase or construction of those assets. The *restricted net position* is the noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Medical Center, including amounts related to County contributions and bond indebtedness restricted for specific purposes. The *unrestricted net position* is the remaining net position that does not meet the definition of *net investment in capital assets or restricted*. The Medical Center first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. During 2014, \$1,241 of net position was released from restrictions and reclassified from restricted to unrestricted. During 2015, restricted net position increased \$23.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Notes to the Financial Statements

June 30, 2015 and 2014

(m) Operating revenues and expenses

The Medical Center's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing healthcare services, the Medical Center's principal activity. Nonexchange revenues, including grants and contributions received by the Medical Center for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide healthcare services, other than financing costs.

(n) Charity care

The Medical Center accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the Medical Center. In assessing a patient's inability to pay, the Medical Center utilizes generally recognized poverty income levels. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, charges related to charity care are not included in net patient service revenue. These costs are estimated based on the ratio of total costs to gross charges. In addition to these charity care services, the Medical Center provides a number of other services to benefit underprivileged patients for which little or no payment is received, including providing services to TennCare and state indigent patients and providing various public health education, health evaluation and screening programs.

(o) Contributed resources

The Medical Center receives grants from the County, as well as from individuals and private organizations through the Foundation. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts received by the Medical Center that are unrestricted or that are restricted for specific operating purposes are reported as nonoperating income (expenses). Amounts received by the Foundation that are unrestricted or that are restricted for specific operating purposes are reported as operating revenues. Amounts restricted to capital acquisitions are reported as other increases in net position.

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(p) Adoption of new accounting pronouncements

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement relates to accounting and financial reporting for government combinations and disposals of government operations and is effective for financial statements for fiscal years beginning after December 15, 2013. Therefore the Medical Center adopted this accounting standard at the beginning of fiscal year 2015. The adoption of this accounting standard changed the presentation of amounts previously reported as goodwill and other intangible assets on the statements of net position.

(q) New accounting pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements and is effective for financial statements for fiscal years beginning after June 15, 2015. Therefore the Medical Center expects to adopt this accounting standard at the beginning of fiscal year 2016.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement, which supersedes Statement No. 55, addresses how to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles, and is effective for financial statements for fiscal years beginning after June 15, 2015. Therefore the Medical Center expects to adopt this accounting standard at the beginning of fiscal year 2016.

The Medical Center is currently assessing the impact of adopting these accounting standards.

(r) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(s) Reclassifications

Certain reclassifications have been made to the 2014 financial statements in order for them to conform to the 2015 presentation. These reclassifications have no effect on the net position or the excess of revenues over expenses as previously reported.

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(t) Performance indicator

Excess of revenues over expenses reflected in the accompanying statements of revenues, expenses and changes in net position is a performance indicator.

(u) Events occurring after reporting date

The Medical Center has evaluated events and transactions that occurred between June 30, 2015 and September 25, 2015, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

(3) Fair value measurements

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The Medical Center does not have any fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2015 and 2014. All of the Medical Center's investments are classified as Level 1 under the hierarchy above.

(a) Financial assets

The carrying amount of financial assets, consisting of cash, accounts receivable, accounts payable, accrued expenses and current portions of long-term debt and capital lease obligations approximate their fair value due to their relatively short maturities. Long-term debt and capital lease obligations are carried at amortized cost, which approximates fair value.

(b) Non-financial assets

The Medical Center's non-financial assets, which include property and equipment, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required and the Medical Center is required to evaluate the non-financial instrument for impairment, a resulting asset impairment would require that the non-financial asset be recorded at the fair value. During the years ended June 30, 2015 and 2014, there were no triggering events that prompted an asset impairment test of the Medical Center's non-financial assets. Accordingly, the Medical Center did not measure any non-recurring, non-financial assets or recognize any amounts in earnings related to changes in fair value for non-financial assets for the years ended June 30, 2015 and 2014.

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(4) Net patient service revenue

A significant portion of the amount of services provided by the Medical Center is to patients whose bills are paid by third-party payors such as Medicare, TennCare and private insurance carriers.

A reconciliation of the amount of services provided to patients at established rates to net patient service revenue as presented in the statements of revenues, expenses and changes in net position is as follows:

	<u>2015</u>	<u>2014</u>
Gross patient service charges	\$ 521,076,459	\$ 477,340,939
Less: Medicare contractual adjustments	(157,133,224)	(144,882,435)
TennCare contractual adjustments	(22,312,352)	(22,432,357)
Other contractual adjustments	(158,682,007)	(139,640,330)
Bad debt	(13,171,452)	(12,911,855)
Charity Care	<u>(866,426)</u>	<u>(1,390,925)</u>
Net patient service revenue	<u>\$ 168,910,998</u>	<u>\$ 156,083,037</u>

Net patient accounts receivable consists of the following:

	<u>2015</u>	<u>2014</u>
Commercial and managed care plans	\$ 11,432,851	\$ 10,171,780
Medicare	3,557,829	4,667,986
TennCare	530,403	605,112
Patients, including self-insured	<u>11,450,259</u>	<u>10,185,325</u>
	26,971,342	25,630,203
Less: allowance for uncollectible accounts	<u>(8,633,182)</u>	<u>(7,287,991)</u>
	<u>\$ 18,338,160</u>	<u>\$ 18,342,212</u>

(5) Third-party reimbursement programs

The Medical Center renders services to patients under contractual arrangements with the Medicare and Medicaid programs. Effective January 1, 1994, the Medicaid program in Tennessee was replaced with TennCare, a managed care program designed to cover previous Medicaid eligible enrollees as well as other previously uninsured and uninsurable participants.

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Amounts earned under these contractual arrangements are subject to review and final determination by fiscal intermediaries and other appropriate governmental authorities or their agents. Activity with respect to audits and reviews of governmental programs and reimbursement has increased and is expected to increase in the future. No additional reserves or allowances have been established with regard to these increased audits and reviews as management is not able to estimate such amounts. In the opinion of management, any adjustments which may result from such audits and reviews will not have a material impact on the financial statements; however, due to the uncertainties involved, it is at least reasonably possible that management's estimates will change in the future. In addition, participation in these programs subjects the Medical Center to significant rules and regulations; failure to adhere to such could result in fines, penalties or expulsion from the programs.

The Medicare program pays for inpatient services on a prospective basis. Payments are based upon diagnostic related group assignments, which are determined by the patient's clinical diagnosis and medical procedures utilized.

The Medicare program reimburses for outpatient services under a prospective method utilizing an ambulatory payment classification system which classifies outpatient services based upon medical procedures and diagnosis codes.

The Medical Center contracts with various managed care organizations under the TennCare program. TennCare reimbursement for both inpatient and outpatient services is based upon prospectively determined rates and per diem amounts.

Net patient service revenue related to Medicare and TennCare was approximately \$53,536,000 and \$3,870,000, respectively, in 2015, and approximately \$50,027,000 and \$3,528,000, respectively, in 2014.

The Medical Center has also entered into reimbursement agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations. The basis for reimbursement under these agreements includes prospectively determined rates per discharge, per diem rates, case rates and discounts from established charges.

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The American Recovery and Reinvestment Act of 2009 (ARRA) established incentive payments under the Medicare and Medicaid programs for hospitals that implemented "meaningful use" certified electronic health record (EHR) technology. In order to receive incentive payments, a hospital which is able to meet the meaningful use criteria must attest that during the EHR reporting period, the hospital used certified EHR technology and specify the technology used, satisfied the required meaningful use objectives and associated measures for the applicable stage, and must specify the EHR reporting period and provide the result of each applicable measure for all patients admitted to the inpatient or emergency department of the hospital during the EHR reporting period for which a selected measure is applicable. A hospital may receive an incentive payment for up to four years, provided it successfully demonstrates meaningful use of certified EHR technology for the EHR reporting period. Hospitals that adopt a certified EHR system and are meaningful users can begin receiving incentive payments in any federal fiscal year from 2011 (October 1, 2010 - September 30, 2011) to 2015; however, the incentive payments will decrease for hospitals that first start receiving payments in federal fiscal year 2014 or 2015.

The Medical Center accrued income of \$900,000 in 2014 relating to the Medicare meaningful use criteria. The \$900,000 of accrued income is recorded in other receivables in the accompanying statement of net position. The Medical Center attested for these meaningful use funds during October 2014 and received an incentive payment of \$1,277,953 in December 2014. There is \$377,953 in income recorded in 2015 relating to the payment received in December 2014. The income is reported as other revenue on the accompanying statements of revenue, expenses and changes in net position. The Medical Center expects to attest for its third payment related to meaningful use during fiscal year 2016 and will record the related income during 2016. The Medical Center does not expect to receive any Medicaid EHR incentive payments.

(6) Assets limited as to use

Assets limited as to use consist of the following:

	<u>2015</u>	<u>2014</u>
Cash restricted by Board for capital improvements	\$ 26,403,462	\$ 70,118,352
Cash restricted by Board for bond principal and interest payments	2,673,366	3,024,378
Cash and cash equivalents restricted by donors	796,611	131,200
Investments restricted by donors	<u>827,528</u>	<u>820,043</u>
Assets limited as to use	<u>\$ 30,700,967</u>	<u>\$ 74,093,973</u>

Balances consist of cash and mutual funds at June 30, 2015 and 2014. The mutual funds are held by the Foundation, which is a discretely presented component unit of the Medical Center and a 501(c)(3) organization. Amounts are classified as noncurrent assets to the extent they are not expected to be used to satisfy current obligations.

Amounts classified as current assets will be used to make bond principal and interest payments.

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All assets limited as to use relating to the primary enterprise at June 30, 2015 and 2014 are insured by the Federal Deposit Insurance Corporation, registered or otherwise collateralized by the financial institution through the State of Tennessee Collateral Bank Pool. See Note 15 for additional information related to the Medical Center's risks with respect to its investments.

(7) Property and equipment

The major classifications and changes in property and equipment as of and for the years ended June 30, 2015 and 2014 are as follows:

	Balance at <u>June 30, 2014</u>	Additions/ <u>Transfers</u>	Transfers/ <u>Retirements</u>	Balance at <u>June 30, 2015</u>
Land	\$ 7,628,969	\$ 2,483,171	\$ -	\$ 10,112,140
Land improvements	2,383,068	-	-	2,383,068
Building and fixed equipment	137,325,639	82,958	1,184,064	138,592,661
Equipment	84,291,756	5,957,763	1,067,571	91,317,090
Equipment under capitalized leases	<u>14,621,390</u>	<u>617,126</u>	<u>-</u>	<u>15,238,516</u>
	246,250,822	9,141,018	2,251,635	257,643,475
Less allowance for depreciation and amortization:				
Land improvements	2,277,931	26,567	-	2,304,498
Building and fixed equipment	47,746,300	4,377,220	-	52,123,520
Equipment	65,980,116	6,208,915	-	72,189,031
Equipment under capitalized leases	<u>12,129,984</u>	<u>59,916</u>	<u>-</u>	<u>12,189,900</u>
Total accumulated depreciation and amortization	<u>128,134,331</u>	<u>10,672,618</u>	<u>-</u>	<u>138,806,949</u>
	118,116,491	(1,531,600)	2,251,635	118,836,526
Construction in progress, net	<u>15,059,088</u>	<u>49,817,949</u>	<u>(2,251,635)</u>	<u>62,625,402</u>
	<u>\$ 133,175,579</u>	<u>\$ 48,286,349</u>	<u>\$ -</u>	<u>\$ 181,461,928</u>

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	<u>Balance at June 30, 2013</u>	<u>Additions/ Transfers</u>	<u>Transfers/ Retirements</u>	<u>Balance at June 30, 2014</u>
Land	\$ 7,449,198	\$ 179,771	\$ -	\$ 7,628,969
Land improvements	2,383,068	-	-	2,383,068
Building and fixed equipment	132,300,829	5,024,810	-	137,325,639
Equipment	77,293,101	7,592,634	(593,979)	84,291,756
Equipment under capitalized leases	<u>14,621,390</u>	<u>-</u>	<u>-</u>	<u>14,621,390</u>
	234,047,586	12,797,215	(593,979)	246,250,822
Less allowance for depreciation and amortization:				
Land improvements	2,249,067	28,864	-	2,277,931
Building and fixed equipment	43,686,395	4,059,905	-	47,746,300
Equipment	60,764,844	5,809,251	(593,979)	65,980,116
Equipment under capitalized leases	<u>11,374,242</u>	<u>755,742</u>	<u>-</u>	<u>12,129,984</u>
Total accumulated depreciation and amortization	<u>118,074,548</u>	<u>10,653,762</u>	<u>(593,979)</u>	<u>128,134,331</u>
	115,973,038	2,143,453	-	118,116,491
Construction in progress, net	<u>1,182,230</u>	<u>13,876,858</u>	<u>-</u>	<u>15,059,088</u>
	<u>\$ 117,155,268</u>	<u>\$ 16,020,311</u>	<u>\$ -</u>	<u>\$ 133,175,579</u>

Substantially all of the construction in progress at June 30, 2015 relates to the Vanderbilt Pediatrics Hospital expansion that was completed and opened on July 1, 2015. The remaining construction in progress at June 30, 2015 consists primarily of various projects to renovate the leased office space on the fifth and sixth floors of the Medical Center, develop certain property and upgrade accounting software. Estimated costs to complete these projects amount to approximately \$6,300,000 at June 30, 2015.

(8) Investment in joint ventures

The Medical Center has an investment in Shared Hospital Services, Inc. (S.H.S.) which provides laundry and linen services. This investment is in a joint venture in which the Medical Center owns approximately 7% at June 30, 2015 and 2014. Equity earnings are distributed based upon tons of laundry processed by S.H.S.

The Medical Center paid S.H.S. approximately \$578,000 and \$559,000 for laundry services for 2015 and 2014, respectively.

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On June 30, 2013, the Medical Center purchased a 49% ownership interest in Vanderbilt Health and Williamson Medical Center Clinics and Services, LLC (VHWMCCS). VHWMCCS owns and operates two primary care, walk-in clinics located in Williamson County, Tennessee.

On July 31, 2013, the Medical Center purchased a 20% ownership interest in Williamson Imaging, LLC, doing business as Cool Springs Imaging, LLC for \$4,500,000. In connection with this purchase and the purchase of the the 49% ownership interest in VHWMCCS discussed above, the Medical Center assumed a \$6,700,000 note payable (see Note 10).

Summary information for the joint ventures as of June 30, 2015 and 2014 and for the years then ended, is as follows:

	2015 (Unaudited)	2014 (Unaudited)
Total assets	\$ <u>19,351,708</u>	\$ <u>16,138,790</u>
Total liabilities	\$ <u>5,882,333</u>	\$ <u>4,036,981</u>
Net revenues	\$ <u>34,620,316</u>	\$ <u>30,639,269</u>
Net earnings	\$ <u>5,586,967</u>	\$ <u>5,019,802</u>
Medical Center's interest:		
Investment in joint ventures	\$ <u>13,956,759</u>	\$ <u>13,417,236</u>
Equity in earnings of joint ventures	\$ <u>1,299,933</u>	\$ <u>1,466,983</u>

(9) Williamson County ambulance service

Pursuant to terms of an agreement with the County, which has been and may continue to be renewed annually upon agreement by both parties, the Medical Center controls and operates the Williamson County Ambulance Service. In accordance with this agreement, the County made unrestricted donations to the Medical Center of \$1,943,624 in 2015 and 2014, which are included in nonoperating income in the accompanying statements of revenues, expenses and changes in net position. The agreement also provides for the Medical Center to return all related assets (as defined) of the ambulance service to the County at the end of the contract period. The net book value of assets related to the ambulance service was \$1,747,184 and \$1,653,910 at June 30, 2015 and 2014, respectively.

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(10) Long-term debt

A schedule of changes in the Medical Center's long-term debt is as follows:

	Balance at June 30, 2014	Additions	Reductions	Balance at June 30, 2015	Amounts Due Within One Year
Hospital Revenue and Tax Bonds Series 2004B	\$ 1,450,000	\$ -	\$ 700,000	\$ 750,000	\$ 750,000
Hospital Revenue and Tax Bonds Series 2004A	730,000	-	730,000	-	-
General Obligation Refunding Bonds, Series 2012A	17,780,000	-	120,000	17,660,000	915,000
3.09% Note payable to bank (one-month LIBOR + 2.9%)	2,450,000	-	1,400,000	1,050,000	1,050,000
3.005% Note payable to bank	5,299,563	-	525,651	4,773,912	543,844
2.70% Note payable to bank	4,019,342	-	223,658	3,795,684	231,330
2.46% Note payable to bank	5,534,225	-	1,302,128	4,232,097	1,336,745
4.50% Note payable to bank	1,026,216	-	219,482	806,734	211,349
1.44% Note payable to bank (one-month LIBOR + 1.25%)	6,403,166	-	915,000	5,488,166	915,000
General Obligation School and Public Improvement Bonds, Series 2013	27,790,000	-	885,000	26,905,000	915,000
Premium on Series 2013 Bonds	2,146,074	-	109,587	2,036,487	109,587
2.2% Note payable to bank	<u>-</u>	<u>2,572,500</u>	<u>173,677</u>	<u>2,398,823</u>	<u>215,640</u>
	<u>\$ 74,628,586</u>	<u>\$ 2,572,500</u>	<u>\$ 7,304,183</u>	<u>\$ 69,896,903</u>	<u>\$ 7,193,495</u>

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	Balance at <u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2014</u>	Amounts Due Within One <u>Year</u>
Hospital Revenue and Tax Bonds Series 2004B	\$ 2,150,000	\$ -	\$ 700,000	\$ 1,450,000	\$ 700,000
Hospital Revenue and Tax Bonds Series 2004A	1,430,000	-	700,000	730,000	730,000
General Obligation Refunding Bonds Series 2012A	17,780,000	-	-	17,780,000	120,000
3.09% Note payable to bank (one-month LIBOR + 2.9%)	3,966,667	-	1,516,667	2,450,000	1,400,004
3.005% Note payable to bank	5,878,031	-	578,468	5,299,563	527,791
2.70% Note payable to bank	-	4,075,000	55,658	4,019,342	225,175
2.46% Note payable to bank	-	6,700,000	1,165,775	5,534,225	1,304,153
4.50% Note payable to bank	1,219,322	-	193,106	1,026,216	202,023
1.44% Note payable to bank (one-month LIBOR + 1.25%)	7,320,000	-	916,834	6,403,166	915,000
General Obligation School and Public Improvement Bonds, Series 2013	-	27,790,000	-	27,790,000	885,000
Premium on Series 2013 Bonds	-	<u>2,210,000</u>	<u>63,926</u>	<u>2,146,074</u>	<u>109,587</u>
	<u>\$ 39,744,020</u>	<u>\$ 40,775,000</u>	<u>\$ 5,890,434</u>	<u>\$ 74,628,586</u>	<u>\$ 7,118,733</u>

On December 1, 2004, the County issued \$15,110,000 in Hospital Revenue and Tax Bonds, Series 2004B (the Series 2004B Bonds) for the purpose of constructing improvements and renovations to and equipping of the Medical Center. Specifically, the 2004B Bonds were used for a multi-phase facility expansion and renovation project, which extended over several years and was substantially completed in 2007. The remaining Series 2004B Bonds bear interest at 4.000% and are due through May 1, 2016.

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On June 1, 2004, the County issued \$15,110,000 in Hospital Revenue and Tax Bonds, Series 2004A (the Series 2004A Bonds) for the purpose of constructing improvements and renovations to and equipping of the Medial Center. Specifically, the 2004A Bonds were also used for the multi-phase facility expansion and renovation project. The remaining Series 2004A Bonds bore interest at 4.125% became due and were paid on May 1, 2015.

In June 2012, the County issued \$17,780,000 in General Obligation Refunding Bonds, Series 2012A (the Series 2012A Bonds) for the purpose of refunding a portion of the Series 2004B and 2004A Bonds (\$8,790,000 of the Series 2004B Bonds and \$8,990,000 of the Series 2004A Bonds). The Series 2012A Bonds bear interest at rates ranging from 2.000% to 4.000% and are due through May 1, 2025. The first principal payment was due May 1, 2015.

The Series 2004A, Series 2004B, and Series 2012A Bonds are collateralized by a pledge of the net revenues of the Medical Center and security interests in accounts receivable and certain other assets. In the event of a deficiency, the Bonds are payable from unlimited ad valorem taxes levied on all taxable property within the County. The trust indentures related to the Bonds contain certain covenants and restrictions, involving the issuance of additional debt and income available for debt service.

In November 2013, the County issued \$30,000,000 in General Obligation School and Public Improvement Bonds, Series 2013 for the purpose of funding the Vanderbilt Pediatrics Clinic expansion project pursuant to a resolution of the County Commission. The bonds were issued at a premium resulting in future principal payments of \$27,790,000. The bond premium in the amount of \$2,210,000 is amortized as a reduction to interest expense over the term of the bonds. The Series 2013 Bonds bear interest at rates ranging from 3.0% to 5.0% and are due through May 1, 2034, with the first payment due May 2015.

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The Medical Center also issues notes payable to finance certain property and equipment additions. The 3.09% note payable to bank represents amounts drawn under a \$10,000,000 line of credit, which converted to a term loan on March 1, 2005, with monthly principal and interest payments based on a 20 year amortization, but maturing in March 2016. This loan is secured by a subordinated pledge of the Medical Center's net revenues and accounts receivable. The 3.005% note payable to bank represents amounts drawn under a \$7,500,000 construction loan, which converted to a term loan on December 1, 2008 and was amended again in November 2013 to extend monthly principal and interest payments in the amount of \$56,631 through November 2016. This loan is secured by security interests in accounts receivable, excluding Medicare payments. The 2.70% note payable to bank is payable in monthly amounts of principal and interest ranging from \$18,716 to \$19,871 through March 2017 with all outstanding principal and interest payments due in April 2017 and is secured by certain accounts receivable of the Medical Center. The 2.46% note payable to bank is payable in monthly amounts of principal and interest ranging from \$103,306 to \$112,660 through July 2016 with all outstanding principal and interest payments due in August 2016 and is secured by certain personal property of the Medical Center. The 4.50% note payable to bank is payable in monthly amounts of principal and interest of \$20,390 through February 2019 and is secured by the Medical Center's deposit accounts and security interests in accounts receivable, excluding Medicare payments. The 1.44% note payable to bank was refinanced in July 2013 and bears interest at a variable rate based on the bank's index rate (LIBOR) plus 1.25%, is due in monthly installments of \$76,250 plus interest through August 2016 and is secured by accounts receivable. The 2.2% note payable to bank is payable in monthly principal and interest payments of \$23,902 based on a 20 year amortization, and matures on October 9, 2020. In November 2017, the interest rate will be adjusted to an annual rate equal to 1.3 basis points in excess of the weekly average yield on United States Treasury securities adjusted to a constant maturity of three years. The interest rate will never exceed 3% and all outstanding principal and interest is due on October 9, 2020. The loan is secured by the encumbering property.

The debt service requirements at June 30, 2015 related to long-term debt are as follows:

<u>Year</u>	Principal Maturities or Sinking Fund Requirements, net <u>of Bond Premium</u>	<u>Interest</u>
2016	\$ 7,193,495	\$ 2,142,000
2017	18,489,352	1,753,000
2018	3,377,143	1,494,000
2019	3,403,603	1,356,000
2020	3,391,683	1,221,000
2021 - 2025	17,667,051	4,091,000
2026 - 2030	8,447,934	1,932,000
2031 - 2034	<u>7,926,642</u>	<u>376,000</u>
	<u>\$ 69,896,903</u>	<u>\$ 14,365,000</u>

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The Medical Center capitalized interest relating to construction projects in the amount of \$1,076,000 and \$667,000 in 2015 and 2014, respectively.

(11) Other receivables

Other current and long-term receivables at June 30, 2015 and 2014 include receivables from certain physicians, Medicare meaningful use funds and donors. Receivables from certain physicians which were made as part of the Medical Center's recruitment program to attract physicians to the Medical Center's service area amounted to \$62,694 and \$172,806 at June 30, 2015 and 2014, respectively. Under terms of the related agreements, such receivables will be forgiven over a period of time, generally over three years, as long as the physician continues to practice in the area. The Medical Center is amortizing these loans over the physicians' service commitments. There were no Medicare meaningful use funds as of June 30, 2015 in other receivables. Medicare meaningful use funds amounted to \$900,000 at June 30, 2014 (see Note 5). Contributions receivable amounted to \$1,353,061 and \$880,000 at June 30, 2015 and 2014, respectively. The Foundation solicits pledges of support from board members and others for contributions to be used for specific purposes. The pledges are discounted when recorded to reflect the present value of expected future collections due after one year. Contributions receivable are reported as restricted net assets in the accompanying financial statements and are scheduled to be received as follows:

	<u>2015</u>	<u>2014</u>
Receivable in less than one year	\$ 430,000	\$ 250,000
Receivable in one to five years	<u>1,467,000</u>	<u>1,000,000</u>
	1,897,000	1,250,000
Less allowance for uncollectible pledges	(380,000)	(250,000)
Less discount	<u>(163,939)</u>	<u>(120,000)</u>
	\$ <u>1,353,061</u>	\$ <u>880,000</u>

(12) Employees' retirement plan

The Medical Center participates in a tax sheltered annuity program (the "Plan") for substantially all of its employees that have one or more years of service, more than one thousand scheduled hours, and have attained the age of 21. Benefits expense includes approximately \$1,705,000 and \$2,345,000 in 2015 and 2014, respectively, related to the Medical Center's share of expenses for contributions and service charges on tax-sheltered annuities for covered employees. The Medical Center's contribution percentage is 3% of covered wages for non-management employees, 7% for management employees and 10% for executives as of June 30, 2015. The Medical Center also matches employee contributions up to 2% of compensation. Employees may make voluntary contributions so long as the total amount contributed by the employee does not exceed 25% of the employee's wages or maximum amounts as provided by law. The Plan's investments at June 30, 2015 and 2014 consist of various mutual fund and fixed income investments.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Notes to the Financial Statements

June 30, 2015 and 2014

(13) Functional expenses

The following is a summary of management's functional classification of operating expenses:

	<u>2015</u>	<u>2014</u>
Healthcare services	\$ 92,523,155	\$ 90,706,351
General and administrative	<u>68,753,774</u>	<u>67,691,113</u>
	<u>\$ 161,276,929</u>	<u>\$ 158,397,464</u>

(14) Leases

The Medical Center leases equipment and office space under capital and operating lease agreements. Future minimum lease payments under capital leases and noncancellable operating leases with initial or remaining lease terms in excess of one year as of June 30, 2015 are as follows:

<u>Year</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2016	\$ 231,655	\$ 1,408,000
2017	212,760	1,212,000
2018	106,380	1,047,000
2019	-	924,000
2020	<u>-</u>	<u>710,000</u>
Total future minimum lease payments	550,795	\$ <u>5,301,000</u>
Less amounts representing interest	<u>(19,115)</u>	
Present value of net minimum lease payments	<u>\$ 531,680</u>	

Lease expense for the years ended June 30, 2015 and 2014 was \$1,797,675 and \$2,389,184, respectively.

A schedule of changes in the Medical Center's capital leases is as follows:

	<u>2015</u>	<u>2014</u>
Balance at beginning of year	\$ 160,231	\$ 501,215
Additions	617,126	-
Reductions	<u>(245,677)</u>	<u>(340,984)</u>
Balance at end of year	531,680	160,231
Current portion of capital lease obligations	<u>218,031</u>	<u>(160,231)</u>
Capital lease obligations, excluding current portion	<u>\$ 313,649</u>	<u>\$ -</u>

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Notes to the Financial Statements

June 30, 2015 and 2014

The Medical Center generates rental income primarily from operating leases of two medical office buildings. Rental revenue was \$1,977,638 and \$2,131,489 in 2015 and 2014, respectively, and is included in other revenue.

Approximate future minimum rental revenue under noncancellable leases at June 30, 2015 is as follows:

<u>Year</u>	
2016	\$ 1,431,000
2017	931,000
2018	360,000
2019	23,000
2020	<u>23,000</u>
	\$ <u>2,768,000</u>

Future minimum rental payments generally include minor annual increases for inflation.

(15) Commitments and contingencies

Medical malpractice liability is limited under provisions of the Tennessee Governmental Tort Liability Act (T.C.A. 29-20-403, et seq.), which removed tort liability from governmental entities which, in the opinion of management and legal counsel, includes the Medical Center. In addition to requiring claims to be made in conformance with this Act, special provisions include, but are not limited to, special notice of requirements imposed upon the claimant, a one year statute of limitations, and a provision requiring that the governmental entity purchase insurance or be self-insured within certain limits. This Act also prohibits a judgment or award exceeding the minimum amounts of insurance coverage set out in the Act (\$300,000 for bodily injury or death of any one person and \$700,000 in the aggregate for all persons in any one accident, occurrence or act) or the amount of insurance purchased by the governmental entity.

The Medical Center maintains commercial insurance on a claims-made basis for medical malpractice liabilities. Insurance coverages are \$1,000,000 per claim and \$3,000,000 in the aggregate annually with a deductible of \$100,000 per claim. In addition, the Medical Center maintains an annual aggregate excess liability policy. Management intends to maintain such coverages in the future. During the past five fiscal years, no settlements of malpractice claims have exceeded insurance coverage limits.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Notes to the Financial Statements

June 30, 2015 and 2014

There are known incidents occurring through June 30, 2015 that have resulted in the assertion of claims, although other claims may be asserted, arising from services provided to patients in the past. Management of the Medical Center is of the opinion that such liability, if any, related to these asserted claims will not have a material effect on the Medical Center's financial position. No amounts have been accrued for potential losses related to unreported incidents, or reported incidents which have not yet resulted in asserted claims as the Medical Center is not able to estimate such amounts.

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, Medicare fraud and abuse, and, most recently under the provisions of the Health Insurance Portability and Accountability Act of 1996, matters related to patient records, privacy and security. Recently the government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

The Medical Center is self-insured for medical and other healthcare benefits provided to its employees and their families. The Medical Center maintains reinsurance through a commercial excess coverage policy which covers annual individual employee claims paid in excess of \$100,000 for the plan year. Contributions by the Medical Center and participating employees are based on actual claims experience. A provision for estimated incurred but not reported claims has been provided in the accompanying financial statements. Total expenses under this program amounted to approximately \$9,136,000 and \$8,893,000 for the years ended June 30, 2015 and 2014, respectively.

The Medical Center is exposed to risks related to its cash and investments, a portion of which is included in assets limited as to use, although certain risks such as credit risk are mitigated due to the Medical Center's practice of maintaining investments primarily in cash and cash equivalents. The Medical Center's investment policy includes certificates of deposit, bank demand and savings accounts, and investment vehicles of the United States Government. The Medical Center is subject to investment rate risk, the risk that changes in interest rates will adversely affect the fair value of an investment; however, the Medical Center's cash and investments are short-term in nature. The Medical Center's investment policy does not specifically address custodial credit risk, the risk that in the event of failure of a counterparty to a transaction, the Medical Center will not be able to recover the value of the investment or any collateral securities that are in the possession of an outside party, or concentration of credit risk, the risk that the amount of investments the Medical Center has with any one issuer exceeds 5% of its total investment. Substantially all of the Medical Center's cash and assets limited as to use are with a financial institution.

WILLIAMSON COUNTY HOSPITAL DISTRICT
(a component unit of Williamson County)

Notes to the Financial Statements

June 30, 2015 and 2014

Management continues to implement policies, procedures, and compliance overview organizational structure to enforce and monitor compliance with the Health Insurance Portability and Accountability Act of 1996 and other government statutes and regulations. The Medical Center's compliance with such laws and regulations is subject to future government review and interpretations, as well as regulatory actions which are unknown or unasserted at this time.

The Centers for Medicare and Medicaid Services ("CMS") have implemented a Recovery Audit Contractors ("RAC") program. The purpose of the program is to reduce improper Medicare payments through the detection and recovery of overpayments. CMS has engaged subcontractors to perform these audits and they are being compensated on a contingency basis based on the amount of overpayments that are recovered. While management believes that all Medicare billings are proper and adequate support is maintained, certain aspects of Medicare billing, coding and support are subject to interpretation and may be viewed differently by the RAC auditors. The Medical Center has not recorded any potential losses as of June 30, 2015; however, the amount of actual losses incurred could differ materially from this estimate.

In March 2010, the Patient Protection and Affordable Care Act was signed into law, along with the Health Care and Education Reconciliation Act of 2010 (collectively, the "Affordable Care Act"). The passage of the Affordable Care Act has resulted in comprehensive reform legislation that is expected to expand health care coverage to millions of currently uninsured people beginning in 2014 and provide for significant changes to the U.S. health care system over the next ten years. To help fund this expansion, the Affordable Care Act outlines certain reductions in Medicare reimbursements for various health care providers, as well as certain other changes in Medicare payment methodologies. This comprehensive health care legislation provides for extensive future rulemaking by regulatory authorities, and also may be altered or amended.

Due to the complexity of the Affordable Care Act's laws, lack of current implementation regulations and interpretive guidance, and response by CMS and other participants in the health care industry to the choices available under the law, it is difficult for the Medical Center to predict the full impact of the law on the Medical Center's operations. Additionally, pending legislative proposals which may be adopted may affect the Medical Center. The provisions of the legislation and other regulations implementing the provisions of the Affordable Care Act may materially impact the Medical Center through increased costs, decreased revenues, and additional exposure to potential liability.

Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

The Board of Trustees
Williamson County Hospital District
Franklin, Tennessee:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Williamson County Hospital District (Williamson Medical Center) (the "Medical Center"), a component unit of Williamson County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Medical Center's basic financial statements, and have issued our report thereon dated September 25, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Medical Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Medical Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Medical Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that would be required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Medical Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Medical Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LBMC, PC

Brentwood, Tennessee
September 25, 2015

Attachment C. Orderly Development-1

Relevant Relationships

Williamson Medical Center

PAYOR	PRODUCT
Aetna	HMO
Aetna	PPO
Aetna	Medicare
Aetna	Workers Comp
Americhoice (UHC)	TennCare
Americhoice (UHC)	Secure Plus
Amerigroup	TennCare
Beech Street	PPO Rental
BCBS	Blue Preferred
BCBS	Blue Select
BCBS	BlueCare
Bluegrass Family Health	Commercial
ChoiceCare	ChoiceCare PPO
ChoiceCare	Medicare Adv.
ChoiceCare	Exchange Network
CIGNA Healthcare	HMO
CIGNA Healthcare	OPEN ACCESS
CIGNA Healthcare	LOCAL PLUS
CIGNA Healthcare	PPO
CIGNA Healthcare	WORKERS COMP
Corvel	PPO Rental
Corvel	Workers Comp
Employers Health Ntwk	PPO Rental
First Health/CCN	PPO Rental
HealthSpring	HMO
HealthSpring	Medicare Adv.
HealthStar	PPO
Humana	Commercial
Humana	Med Adv
Multiplan / PHCS	PPO Rental
Prime Health Services	
TRiWest	VA PCCC
United Healthcare	Commercial
United Healthcare	TennCare
USA Healthnetwork	PPO Rental
Windsor Health Plan	Medicare Adv

Attachment C. Orderly Development 7(c)

License

Board for Licensing Health Care Facilities



State of Tennessee

No. of Beds 0000000128
0185

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

to conduct and maintain a

WILLIAMSON COUNTY HOSPITAL DISTRICT

Hospital

WILLIAMSON MEDICAL CENTER

Located at

4321 CAROTHERS PARKWAY, FRANKLIN

County of

WILLIAMSON, Tennessee.

This license shall expire APRIL 13, 2016, *and is subject*

to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State this 11TH *day of* MAY, 2015.

In the Distinct Category(ies) of: GENERAL HOSPITAL
PEDIATRIC PRIMARY HOSPITAL



By James J. Davis, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By John J. Davis
COMMISSIONER

Attachment C. Orderly Development 7(d)

Licensure Inspection and Plan of Correction



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
2975 C HIGHWAY 45 BYPASS
JACKSON, TENNESSEE 38305

June 9, 2010

COPY

Mr. Dennis Miller, Administrator
Williamson Medical Center
4321 Carothers Parkway
Franklin, TN 37067

RE: Licensure Survey

Dear Mr. Miller:

We are pleased to advise you that no deficiencies were cited as a result of the licensure survey completed at your facility on **June 3, 2010. The attached form is for your files.**

If this office may be of any assistance to you, please do not hesitate to call (731)984-9711.

Sincerely,

P. Diane Carter

P. Diane Carter, RN, LNCC
Public Health Nurse Consultant 2

fxw
PDC/TJW

Enclosure

DEC 15 15 43 07

PRINTED: 05/30/2012
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP531128	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 06/03/2010
NAME OF PROVIDER OR SUPPLIER WILLIAMSON MEDICAL CENTER		STREET ADDRESS, CITY, STATE, ZIP CODE 4321 CAROTHERS PARKWAY FRANKLIN, TN 37067	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)
H 002	1200-8-1 No Deficiencies This Rule is not met as evidenced by: This facility complies with all requirements for participation in the Acute Care Hospital facilities program reviewed during the licensure survey conducted 6/1/10 - 6/3/10. No deficiencies were cited.	H 002	

Division of Health Care Facilities

TITLE

(X6) DATE

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM

0009

MR7M11

If continuation sheet 1 of 1



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

CONSENT CALENDAR

January 1, 2016

Dan Elrod, Esq.
Butler Snow
150 3rd Ave South, Suite 1600
Nashville, TN 37201

RE: Certificate of Need Application for Williamson Medical Center -- CN1512-067

For the acquisition of a 1.5 Tesla MRI unit to be operated under the license of Williamson Medical Center at its off-campus outpatient imaging department located approximately 1,450 feet from the hospital's main campus at 4321 Carothers Parkway in Franklin (Williamson County), TN 37067. The estimated project cost is \$2,401,068.

Dear Mr. Elrod:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

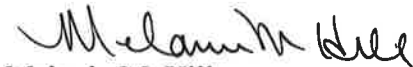
In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 30-day review cycle for **CONSENT CALENDAR** for this project will begin on May 1, 2015. The first thirty (30) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the thirty (30)-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on February 24, 2016.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (3) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (4) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: Melanie M. Hill
Executive Director

DATE: January 1, 2016

RE: Certificate of Need Application
Williamson Medical Center -- CN1512-067

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a **CONSENT CALENDAR** thirty (30) day review period to begin on January 1, 2016 and end on February 1, 2016.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Dan Elrod

BUTLER | SNOW

December 10, 2015

VIA HAND DELIVERY

Melanie M. Hill
Executive Director
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Williamson Medical Center – Certificate of Need Application for Magnetic
Resonance Imaging

Dear Ms. Hill:

Enclosed, in triplicate, is the Letter of Intent submitted for the project referenced above.

Thank you for your attention to this matter.

Very truly yours,

BUTLER SNOW LLP



Dan H. Elrod

clw
Enclosures

*The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201*

DAN H. ELROD
615.651.6702
dan.elrod@butlersnow.com

T 615.651.6700
F 615.651.6701
www.butlersnow.com

28933407v1

BUTLER SNOW LLP



**State of Tennessee
Health Services and Development Agency**

Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243
www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Tennessean which is a newspaper
(Name of Newspaper)
of general circulation in Davidson County, Tennessee, on or before December 10, 20 15,
(County) (Month / day) (Year)
for one day.

=====

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Williamson Medical Center, a hospital
(Name of Applicant) (Facility Type-Existing)

owned by: Williamson County, Tennessee with an ownership type of governmental through the Williamson County Hospital District, intends to file an application for a Certificate of Need to initiate magnetic resonance imaging services at its existing outpatient imaging center located at 4601 Carothers Parkway, Suite 150, Franklin, Tennessee. The outpatient imaging center is licensed and operated as a department of Williamson Medical Center. The total project cost, including renovations to accommodate magnetic resonance imaging equipment, is estimated to be \$2,401,468. The project does not involve the addition of beds or the initiation of any other service for which a certificate of need is required

The anticipated date of filing the application is: December 15, 20 15

The contact person for this project is Dan Elrod Attorney
(Contact Name) (Title)

who may be reached at: Butler Snow LLP 150 3rd Avenue South, Suite 1600
(Company Name) (Address)

Nashville TN 37201 615 / 651-6702
(City) (State) (Zip Code) (Area Code / Phone Number)

[Signature] 12/10/15 dan.elrod@butlersnow.com
(Signature) (Date) (E-mail Address)

=====

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

**Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243**

=====

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

=====

Supplemental #1 -ORIGINAL-

Williamson Medical Center

CN1512-067

December 23, 2015

2:46 pm

December 23, 2015

VIA HAND DELIVERY

Jeff Grimm
HSDA Examiner
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Certificate of Need Application CN1512-067
Williamson Medical

Dear Mr. Grimm:

Responses to the questions in your letter dated December 21, 2015, are below. Please let us know if you need additional information.

1. Section A, Applicant Profile, Item 1 and Item 6

Item 1 - Review of the 12/10/15 published LOI for the Certificate of Need application revealed that the address of the applicant's existing outpatient imaging center is 4601 Carothers Parkway in Franklin in lieu of the 4321 address in Item A. Please clarify. If in error, please revise and submit a replacement page labeled 1-R.

Response: The address of the applicant, Williamson Medical Center, is 4321 Carothers Parkway. The address of WMC's outpatient imaging center, which is licensed as part of the hospital is 4601 Carothers Parkway. Based on the format of the application form, the applicant believes the addresses are correctly stated in the original application.

Item 6 – The deed in Attachment A.6 documenting the applicant's ownership of the 5.7 acre property that the existing outpatient imaging center is located on is noted. However, no address appears to be included in the documentation provided. Please confirm the address of the property.

Response: WMC owns under a condominium arrangement the first floor of the building at 4601 Carothers Parkway. This space is occupied by the outpatient imaging center and

the breast health center (see discussion below for more details). The deed at Attachment A.6 in the original application is for condominium space purchased in 2011 that is now occupied by the breast center. The part of the first floor that is occupied by the outpatient imaging center was initially leased and then purchased in 2009. The deed for that space is attached as Exhibit A.

As explained below, the original address for the building where the outpatient imaging center is located was 3001 Carothers, the address used in CN0706-015A. Carothers Parkway was extended to the north after CN0706-015A was approved in 2007, at which times the addresses assigned to buildings on Carothers Parkway changed.

Based on clarification of the outpatient imaging center's address it appears this is a different facility from the provider based outpatient imaging center at 3001 Carothers Parkway approved in Williamson Medical Center, CN0706-051A. Please clarify. If no longer in operation, please discuss developments leading to use of the hospital's outpatient imaging center in this project.

Response: The original address for the outpatient imaging center, before the extension of Carothers Parkway, was 3001 Carothers Parkway. In other words, the facility approved in CN706-051A is the same facility and location as the outpatient imaging center described in the current application. This facility simply the address 4601 assigned to it in July of 2007, after Carothers Parkway was extended.

2. Section B, Applicant Profile, Item 13 and Section C, Economic Feasibility, Item 6.B

The response is noted. Please describe the arrangement for MRI interpretation services by licensed radiologists of the hospital's medical staff. At a minimum, please address the following

- 1) Hospital employee or contracted professional service. If by contract, please submit a copy of the contractual agreement.
- 2) Board Certification status of radiologists
- 3) Arrangements for billing of professional fees for MRI interpretation services.
- 4) If separate from hospital billing, confirmation that radiologists participate in Medicare and same TennCare MCO plans as hospital.

Response:

- 1) *WMC has contract with Advanced Diagnostic Imaging, PC, a group of licensed radiologists to provide professional services at the hospital, which includes the outpatient imaging facility. A copy of the contract is attached as Exhibit B.*

- 2) *All of the radiologists in Advanced Diagnostic Imaging, PC, are board certified in diagnostic radiology and several members of the group have a subcertification in neuroradiology or vascular and interventional radiology.*
- 3) *Tennessee law precludes hospitals from employing radiologists. The radiologists in Advanced Diagnostic Imaging bill for their professional services as independent providers.*
- 4) *The radiologists who interpret images at WMC (including the imaging center) participate in Medicare and the same TennCare MCO plans as WMC.*

3. Section B, Project Description, Item II (Executive Summary of the Project)

In addition to the reasons discussed on pages 4 and 5 for locating the hospital's proposed MRI unit in its freestanding outpatient imaging center adjacent to the hospital campus, what benefits will the additional proposed MRI unit provide to the applicant's significant expansion initiatives since Calendar Year 2000 such as the \$67.6 million project approved in its outstanding certificate of need, CN1210-048A? In your response, please include a progress update for the outstanding certificate of need.

Response: *The project approved under CN1210-048A has been completed except for the surgery component, which will be completed in February of 2016. The project will likely contribute to decreased outmigration of patients to Davidson County, which in turn, could result in increased MRI utilization at WMC. In addition, the MRI proposed in this application will complement the enhanced pediatric services authorized by CN1210-048A. Currently, WMC does not provide MRI studies on children who cannot independently remain in the MRI suite without sedation, but WMC may offer this service as WMC's pediatric services in general grow. The addition of an MRI at the outpatient imaging center will result in additional capacity for the MRI at the main campus. The additional capacity will make it easier to accommodate sedated children, who require extended time on the schedule to provide these studies safely.*

What impact, if any, could other providers without MRI service have to the hospital's provision of MRI services, such as the Scott Hamilton Proton Therapy Center approved in CN1502-004A and the rehab hospital approved in HealthSouth Rehabilitation of Williamson County, CN1012-059A? Please discuss potential benefits such as the MRI service's contribution to patient continuity of care and improved patient access.

Response: *WMC plans to contract with the HealthSouth Rehabilitation Hospital to provide imaging services to the patients of the rehabilitation hospital. While this may result in some increased MRI utilization, WMC is unable to quantify the amount of increased MRI volume, if any, attributable to this arrangement. WMC does not foresee that the Scott Hamilton Proton Center will have any effect on MRI utilization at WMC.*

In general, the new MRI unit will improve access to care in Williamson County, and contribute to a reduction in outmigration for MRI and other services.

HSDA Equipment Registry records reflect the applicant has one (1) existing registered 1.5 Tesla MRI unit. However, review of HSDA approved certificate of need projects show approval for 2 MRI units - the fixed MRI unit in CN9110-065A and the additional 1.5 Tesla MRI unit in CN0104-022A located in a small modular building next to the hospital imaging department. Based on the applicant's CON history for MRI, please provide a brief description that offers some background about the changes leading to the hospital's use of only 1 MRI unit. In your response, please also clarify why the modular building MRI in CN0104-022A has not been voluntarily surrendered and returned to HSDA.

Response: *The modular MRI approved under CN9110-065A replaced the mobile MRI service that was previously at WMC. The modular building MRI was subsequently relocated to space inside the hospital several years ago. WMC has never operated more than one MRI unit. WMC is unable to locate certificate of need CN9110-065A, but in any event, the project authorized by CN9110-065A was completed and the certificate of need no longer exists as a matter of law (T.C.A., section 68-11-1607(g)).*

Please also provide some additional background insight about the hospital medical staff such as current number of licensed physician members and medical specialties.

Response: *Attached as Exhibit C is a list of specialties represented on the medical staff and number of physicians per specialty.*

1. Section B, Project Description, Item II.A. and Item II.E

Item II.A – Please provide some more detail about the hospital's existing 4-story outpatient imaging center, including year built, total building square feet, designated floor and approximate square feet of location for proposed 1.5 Tesla MRI unit and the imaging services currently provided at the facility. Please also briefly describe the building's use for other types of activities not related to imaging services.

Response: *WMC's outpatient imaging center is located on the first floor of the building at 4601 Carothers Parkway. This is the only portion of the building owned or occupied by WMC. The outpatient imaging center occupies approximately 11,700 square feet of space, and the imaging modalities currently provided include CT, ultrasound, mammography, bone density testing, x-ray, EKG, and stereotactic services. The first floor also includes the breast health center, which is physician's office, and this center occupies approximately 2,500 square feet. The remaining 3 floors in the building are owned by unrelated parties and leased to physician offices.*

Item II.E.1 - The description is noted. Please also identify the name of manufacturer, model type and Tesla strength.

Response: *General Electric Optima MR450w 1.5T MR System – EX Platform.*

Did the applicant consider adding a 3.0 Tesla model in lieu of another 1.5 Tesla unit? Please describe the reasons for not increasing to a higher field strength at this time.

Response: *The radiologists at Advanced Diagnostic Imaging recommended the 1.5 Tesla unit, based on their professional judgment regarding the needs of patient and referring physicians, and taking into account additional cost of a 3.0 Tesla unit compared with capabilities of the unit.*

Please identify the current operating hours of the hospital's MRI service and the operating hours at the outpatient imaging center that will house the proposed additional unit. In your response, please identify and discuss any differences that might apply.

Response: *The hours of operation for the outpatient imaging center are 7:00 AM to 5:00 PM, Monday through Friday. The hours of operation for the main hospital's MRI are 5:30 AM to 10:30 PM, Monday through Friday and on call after hours and Saturday and Sunday. The difference in operating hours is due to the use of the hospital's main campus MRI for emergency services and inpatients, compared to the outpatient use of the imaging facility's proposed MRI unit.*

With respect to the hospital's current MRI operating hours, has the schedule been expanded to reduce the current 2 day backlog noted elsewhere in the application? Please describe the measures taken over the most recent 12-month period to increase the operating hours of the MRI service. In your response, please also the length of time in months the MRI service has experienced a 2 day backlog.

Response: *WMC has not taken any steps to increase the schedule described above, because such an increase would have little if any effect on backlog for scheduling outpatients. Very few if any outpatients would find it convenient to schedule an MRI before 5:30 a.m. or after 10:30 p.m. In addition, expansion of the schedule at WMC would not alleviate the conflict that occurs between inpatient needs and regularly scheduled outpatients.*

Item II.E.3 - The vendor's quote documenting the cost of the proposed additional MRI unit has an expiration date of December 31, 2015. Please provide a revised quote or addendum that will be valid on the date of the hearing of the application by the HSDA Board Members.

Response: *The revised quote is attached as Exhibit D. Please note that the revised quote contains an expiration date of March 20, 2016, but Exhibit D also includes an addendum to the quote extending the expiration date to March 31, 2016.*

2. Section C, Need, Item 1 (Project Specific Criteria)

Item 1 - To complement the applicant's utilization identified on pages 11 and 12, please complete the table below.

Response:

	2012	2013	2014	% change '12-'14	2015 (estimated)	Projected Year 1	Projected Year 2
MRI Procedures	4,082	4,141	4,178	2.4%	4,648	2,325	2,450
as a % of 2,880 MRI standard	142%	144%	145%	2.1%	161%	81%	85%

Item 2 – Please complete the table below showing patient origin in 2014 and Year 1 with volumes by county of residence.

Response:

Use of Applicant's MRI Service by Residents 2-County PSA

County of Residence	Resident Procedures Performed by Applicant 2014	Resident Procedures as a % of Applicant's Total Procedures 2014	Total MRI Procedures by County Residents at all Provider Sites in County 2014
Williamson	2,226	53%	18,090
Maury	646	15%	9,953
Total	2,872	68%	28,043

Item 6.E – Please provide a copy of the ACR accreditation award noted in the response.

Response: Attached as Exhibit E.

3. Section C, Need, Item 5 (Historical MRI Utilization in Applicant's Primary Service Area)

The table is noted. Please expand the information provided by adding the columns indicated in the table below. For assistance or questions, please contact Alecia Craighead, Stat III at 615-253-2782.

Response:

Utilization of Existing MRI Providers in Applicant's 5-County PSA

Provider Name by County	Type (PO, ODC, Hospital, HODC, RPO, H-Imaging)	Current # of Units (specify if mobile)	Distance from Applicant (in miles)	2012	2013	2014	% Change MRI Procedures '12-'14	Use by Residents of 2-County PSA in 2014
Williamson				14,791	14,587	14,067	-4.9%	
Cool Springs Imaging	ODC	1	2.8 miles	4,308	4,552	4,918	14.2%	3,149
Premier Radiology Cool Springs	ODC	2	2.6 miles	3,683	3,151	3,094	-16%	2,178
Vanderbilt Bone and Joint	PO	1	2.1 miles	2,728	2,743	1,877	-31.2%	1,131
Williamson Medical Center	Hospital	1	.4 miles	4,082	4,141	4,178	2.4%	2,872
Maury				10,304	10,548	11,505	11.7%	
Maury Regional Medical Center	Hospital	3	30.1 miles	6,083	6,109	6,606	8.6%	3,529
Mid Tennessee Bone and Joint Clinic, PC	PO	1	30.2 miles	1,909	2,047	2,259	18.3%	993
Mobile MRI Medical Services, LLC – Columbia	RPO	1 Mobile (Part)	30.3 miles	(1-2/week) 415	(1-0/week) 0	(1-0/week) 0		0
Spring Hill Imaging Center (Maury Regional Imaging Center)	HODC	1	17.7 miles	1,897	2,392	2,640	39.2%	1,937

Source: HSDA Equipment Registry. In the course of preparing this application, WMC realized that the volumes it had reported to the HSDA are incorrect. The chart contains the correct numbers for WMC, and WMC has been in touch with Agency staff to correct the Registry numbers.

4. Section C, Need, Item 6 (Applicant's Historical and Projected Utilization)

The response is noted. Does the 2% per year conservative growth projection include potential growth due to use by patients of new providers in the community, such as the rehab hospital and proton therapy center providers noted in question 3, above? Please clarify.

Response: For purposes of conservative planning, the 2% growth projection does not include increased utilization as discussed in the response to question 3. above.

5. Section C, Economic Feasibility Items 1 (Project Costs Chart)

The chart is noted. Please provide a breakout of all MRI equipment & related costs included in the \$1,867,523 cost shown in Line A.7 of the chart. As noted, previously, please provide a revised vendor MRI equipment price quote that will be valid on the date of the hearing of the application.

Response: As stated in the vendor quote, the initial cost of the MRI will be \$1,274,518. The total cost of maintenance for years 2-5 will be \$593,005, thus the total MRI cost for certificate of need purposes is \$1,867,523. The revised quote is included at Exhibit D.

Please identify the actual out of pocket cash outlay the applicant expects to support the start-up costs of the project.

Response: The total out of pocket cash outlay expected to support the start-up costs of the project is \$1,808,464. This includes \$45,000 for the architectural and engineering fees, \$30,000 for legal, administrative fees, \$20,500 for a contingency fund, \$409,554 for the build-out, \$1,274,519 for the MRI fixed equipment, \$23,500 for the signage/low voltage, and \$5,391 for the CON filing fee.

6. Section C, Economic Feasibility, Item 4. (Historical and Projected Data Charts)

Historical Data Chart (Whole Hospital) – Please provide some insight for the following changes from the applicant's FY2013-FY2015:

Increase in patient days (approximately 4%)

Increase in contractual adjustments (17%)

Decrease in charity care (4%)

Given the hospital's non-profit status, what accounts for the amounts shown for taxes in Line D.4 of the chart?

Response: The increase in adjusted patient days is attributable to 9.4% increase in admissions and increased utilization of ancillary services, all of which are due to (1)population growth, (2)reduction in uninsured population because of the Affordable Care Act, and (3)reduced outmigration of service area patients to Davidson County.

Contractual adjustments increased from 2013-2015 by 14.7%, which is substantially in line with the overall revenue increase of 13.2% for the same period. The modestly higher percentage of contractual adjustments is likely attributable to an increase in gross charges implemented in 2015.

The decrease in charity care is attributable to increased availability of insurance through the Affordable Care Act.

The taxes shown on the Historical Data Chart are for medical office buildings that are owned by WMC and leased to physicians. These buildings are not exempt from property taxes.

Please provide a Historical Data Chart for the hospital's MRI service. In your response, please identify the number of MRI procedures provided free of charge to charity patients during the most recent 12-month fiscal year period.

Response: *The Historical Data Chart for MRI service is attached as Exhibit F. In FY 2015, WMC provided 13 MRIs for which payment was waived completely.*

Projected Data Chart -- Expenses for professional fees for MRI interpretation services by radiologists appear to be missing from the amounts shown in the detail shown on page 25 for Line D.9 of the chart (Other Expenses). Please explain.

Response: *The radiologists bill directly for their professional services, and there is no expense to WMC for their services.*

If in error, please revise the Projected Data Chart and submit in a replacement page labeled as 25-R. *Note: even if there are no projected costs for Management Fees, note as "None" in the revised Projected Data Chart.*

Response: *Attached as Exhibit G is a revised Projected Data Chart (page 25-R) that includes a line for "Management Fees." In the course reviewing the Projected Data Chart, the Applicant realized that the chart in the original application contains typographical errors. Revenue was incorrectly entered on the "inpatient" line and the total gross revenue in year 1 was misstated. A revised page 24 is also included with Exhibit G.*

7. Section C, Economic Feasibility, Item 9

Please show the percentages by payor mix for the hospital's MRI service in 2015 and Year 1 of the project. By completing the table below.

Response:

December 23, 2015

2:46 pm

Applicant's MRI Service Payor Mix, 2015 and Year 1

Payor Source	Gross Revenue 2015	Gross Revenue Year 1	as a % of Total Gross Revenue Year 1	Average Gross Charge per MRI Procedure Year 1
Medicare	\$4,809,407	\$2,500,745	41%	\$2,522
TennCare	304,468	158,584	3%	2,532
Managed care	2,042,016	1,049,093	17%	2,528
Commercial	4,229,988	2,177,478	36%	2,641
Self-Pay	233,738	121,988	2%	2,657
Other	188,746	91,491	2%	2,560
Total	\$11,848,263	\$6,099,379	100%	\$2,623

8. Section C, Orderly Development, Item 3

The staffing table is noted. Please address the staffing by licensed radiologists for the MRI service.

Response: One or more radiologists are currently on site at the outpatient imaging center, and the addition of the proposed MRI will not require additional radiologist staff.

9. Section C, Orderly Development, Item 7.C

The accreditation by the Joint Commission is noted. When does the accreditation expire? In your response, please also provide a copy of the most recent survey by the Joint Commission.

Response: The most recent Joint Commission accreditation is attached as Exhibit H. WMC was surveyed by the Joint Commission in October of 2015, and it will be resurveyed within 3 years.

Very truly yours,

BUTLER SNOW LLP



Dan H. Elrod

clw
Attachments

December 23, 2015

2:46 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Williamson Medical Center, CN 1512-067

I, Dan Elrod, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

[Signature]
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 23rd day of December, 2015,
witness my hand at office in the County of Davidson, State of Tennessee.

[Signature: Stephen H. Ramsey]
NOTARY PUBLIC

My commission expires May 6, 2019.

HF-0043

Revised 7/02



December 23, 2015

2:46 pm

Exhibit A

December 23, 2015

2:46 pm

GENERAL WARRANTY DEED

To: Williamson County Hospital District
d/b/a Williamson Medical Center

This instrument was prepared by:
C. Mark Carver, Esq.
Sherrard & Roe, PLC
424 Church Street, Suite 2000
Nashville, TN 37219

From: Curd Associates, LLC

Address New Owner
as Follows:

Send Tax Bills To:

Map/Parcel Numbers

Williamson County Hospital District
d/b/a Williamson Medical Center
Unit 100
4601 Carothers Parkway
Franklin, TN 37067

Same

A portion of
Map 79, Parcel 41.05

STATE OF TENNESSEE)
COUNTY OF DAVISON)

The actual consideration for this transfer is \$1,918,500.00

Mark Carver
Affiant

Sworn to and subscribed before me, this 11 day of February, 2009.



NOTARY PUBLIC
AT LARGE

Traci Henry
Notary Public

My Commission Expires:

My Commission Expires
March 20, 2010

STATE OF TENNESSEE

GENERAL WARRANTY DEED

FOR AND IN CONSIDERATION OF the sum of Ten Dollars, cash in hand paid by the hereinafter named Buyer, and other good and valuable considerations, the receipt of which is hereby acknowledged, **Curd Associates, LLC, a Tennessee limited liability company** (hereinafter called the "Seller") by these presents does transfer, sell and convey unto **Williamson County Hospital District d/b/a Williamson Medical Center** (hereinafter called the "Buyer"), and Buyer's successors and assigns, all of Seller's interest in real estate described on Exhibit A attached hereto and incorporated herein by reference.

The above-referenced property is conveyed subject to all matters set forth on Exhibit B attached hereto and incorporated herein by reference.

This is improved property known as Unit Number 100 at Tower Condominiums, 4601 Carothers Parkway, Franklin, Williamson County, Tennessee 37067.

December 23, 2015**2:46 pm**

TO HAVE AND TO HOLD the said real property, together with all rights and appurtenances thereunto belonging or in any wise appertaining to Buyer, its successors and assigns, forever in fee simple.

Seller further covenants and binds itself, its representatives, successors and assigns to warrant specially and forever defend the title to said real estate to Buyer, and Buyer's successors and assigns, against the lawful claims of all persons. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, Seller has caused this deed to be executed effective as of the 12th day of February, 2009.

SELLER: Curd Associates, LLC,
a Tennessee limited liability company

By: Joel Locke
Joel Locke, Chief Manager

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

Before me, June P. House, a Notary Public in and for the County and State aforesaid, personally appeared Joel Locke with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Chief Manager of Curd Associates, LLC, the within named bargainor, a limited liability company, and that he as such Chief Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as Manager.

Witness my hand and seal at office in Nashville, Tennessee, this 10th day of February, 2009.

June P. House
Notary Public

My Commission Expires:

11/7/11

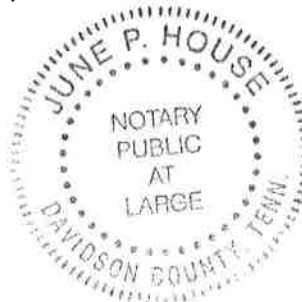


EXHIBIT A

PROPERTY DESCRIPTION

Condominium Unit Number 100 according to the Master Deed Tower Condominiums, of record at Book 4693, Page 412, Register's Office for Williamson County, Tennessee, together with an undivided share in the common elements appurtenant therefor.

Being a part of the same property conveyed to Curd Associates, LLC by deed of record at Book 3741, pages 179-184, Register's Office for Williamson County, Tennessee.

December 23, 2015**2:46 pm****EXHIBIT B**

1. Taxes for the year 2009.
2. All matters shown on Plat recorded in Book 12, page 116.
3. Terms and Conditions of Easements of record in Book 761, page 329; Book 827, page 474; and Book 827, page 453.
4. Easement(s) to Middle Tennessee Electric Membership Corporation as set forth in instrument recorded in Book 4610, page 456.
5. Easement(s) to Milcrofton Utility District of Williamson County as set forth in instrument recorded in Book 3632, page 758.
6. Easement(s) to United States of America as set forth in instrument recorded in Book 593, page 854 and Book 881, page 930.
7. Easement(s) to City of Franklin as set forth in instrument recorded in Book 580, page 690; Book 580, page 695; and Book 580, page 700.
8. Easement(s) to Middle Tennessee Electric Membership Corporation as set forth in instrument recorded in Book 1149, page 602.
9. Easement(s) to Tennessee Electric Power Company as set forth in instrument recorded in Book 61, pages 59 and 60.
10. Easement(s) to United States of America as set forth in instrument recorded in Book 101, page 409 and Book 107, page 420.
11. Master Deed Tower Condominiums, of record at Book 4693, Page 412, Register's Office for Williamson County, Tennessee.
12. Charter of Tower Condominiums Association, Inc. of record in Book 4696, page 562.

BK: 4732 PG: 612-615**09006460**

4 PGS : AL - DEED	
KELLY BATCH: 141047	
02/17/2009 - 08:01 AM	
BAI CH	141047
MORTGAGE TAX	0.00
TRANSFER TAX	7098.45
RECORDING FEE	20.00
DPI FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	7121.45

STATE OF TENNESSEE, WILLIAMSON COUNTY

SADIE WADE

Exhibit B

December 23, 2015**2:46 pm**

2/08

RADIOLOGY DEPARTMENT SERVICES AGREEMENT

This Agreement ("the Agreement") is entered into as of March 31, 2005, by and between Williamson County Hospital District, a governmental entity, d/b/a Williamson Medical Center ("the Hospital") and Advanced Diagnostic Imaging, PC, ("the Practice").

RECITALS

A. The Hospital operates a department containing the facilities necessary to provide Radiology services (the "Services") for Hospital patients in the Radiology department ("the Department").

B. The Hospital recognizes that the proper functioning of the Department requires the supervision and direction of a Physician who has the training, experience, and qualifications necessary to provide medical direction in the specialty of Radiology services ("Specialty").

C. The Hospital has determined that for proper and efficient operation of the Department several objectives must be met, including, among others, twenty-four (24) hour coverage, coordination of schedules and assignments, administrative ease and efficiency, consistency and uniformity in book and record-keeping and coordinated supervision of non-Physician personnel.

D. The Hospital has determined that the proper, orderly and efficient delivery of quality Specialty services to the Hospital's patients can be accomplished best by entering into this exclusive arrangement for administrative services, medical director services and professional medical services with this Practice only.

E. The Practice employ, or have as shareholders one or more Physicians(s) (all Physicians and Physicians Assistants providing services under this Agreement are collectively sometimes referred to as "Physicians") who are willing to accept the responsibility of providing administrative services to Hospital and professional Specialty services to Hospital patients in the Department in accordance with recognized medical standards, the Bylaws of the Medical Staff of the Hospital ("Medical Staff"), the Bylaws of the Hospital, and the terms and conditions set forth in this Agreement.

F. The Hospital and the Practice desire to provide a full statement of their agreement in connection with the operation of the Department during the term of this Agreement.

1. **OBLIGATIONS OF THE PRACTICE.** The Practice will cause the Physicians to provide the following services to Hospital during the term of this Agreement:

- A. Medical Director of Department. A Physician (an individual shall be designated by the Practice and approved by the Hospital) will serve as the Medical Director of the Department, which responsibilities are further described on Schedule A. The Medical Director will be Board Certified in Radiology and use proper professional standards and devote such time as necessary to provide Specialty services to Hospital patients. Initially that person will be Elliot Himmelfarb, MD. The Medical Director duties and responsibilities are set out on Schedule A.
- B. Physicians. The Practice shall supply mutually acceptable physicians to provide care and additional coverage to the Hospital.
- C. Medical Practice. The Physicians will use the personnel, space, equipment, and supplies provided by the Hospital solely for the Practice of Specialty for the Hospital's patients.
- D. Administration. The Physicians will follow all management directions regarding the administration of the Department given by the Hospital. The Hospital will not have or exercise control over the manner in which the medical duties of the Physicians are performed, except as outlined in the Bylaws of the Medical Staff.
- E. Quality of Care. The Physicians will continually work to improve the quality of and maintain a reasonable cost for medical care furnished to Hospital's patients in the Department.
- F. Records. The Physicians shall assist Hospital in keeping or causing to be kept in the Department accurate and complete records in an adequate filing system. Physicians shall assist the Department in complying with any and all governmental and Joint Commission on Accreditation of Healthcare Organizations' ("JCAHO") record-keeping and reporting requirements.
- G. Cooperation. The Physicians shall assist Hospital in scheduling work hours and in training personnel.
- H. Consultation. The Physicians shall ensure that they are available at reasonable times for consultations with individual members of the Medical Staff, and nursing and administrative employees of Hospital. Physicians shall

ensure that they participate actively in the affairs of the Medical Staff and perform the tasks and provide services as the Medical Staff may from time to time request.

- I. Education. The Physicians will participate for reasonable periods of time in educational programs conducted by the Hospital and will perform such other teaching functions within the Hospital as the Hospital may deem necessary or desirable to assure its compliance with requirements of accrediting bodies. At the request of the Medical Staff, the Physicians will take an active part in teaching programs.
 - J. Equipment and Employees. The Physicians are not responsible for equipment, or employees who are not serving under their direction. However, Physicians shall promptly notify Hospital if any equipment in the Department is defective, inoperative, or in disrepair, or if any employee of the Department, in the judgment of Physicians, is poorly or inadequately trained.
 - K. Coverage. The Practice will schedule Physicians' coverage and professionally staff the Department in such manner that the Hospital, its Medical Staff, and its patients will have adequate medical coverage immediately available at all times. The Physicians will render all services and consult with the Medical Staff of the Hospital when requested. The Physicians will provide on-site coverage during normal business hours and when not on site, provide call coverage for weekends and holidays, and on an emergency basis.
- All Physicians providing services under this Agreement will meet with the reasonable satisfaction of Hospital. In the event Hospital requests a Physician to be removed from providing services under this Agreement, the Practice will remove the Physician, subject to the provisions of Section 23, below.
- L. Ethics. The Physicians shall ensure that they, in performing services under this Agreement, shall render medical director services and care to patients in accordance with and in a manner consistent with the standards of the Specialty, conduct themselves in a manner consistent with the principles of medical ethics of the American Medical Association, and comply with the bylaws, rules and regulations of the Medical Staff.

M. Eligibility in Medical Plans

- 1) Managed Care and Medicare. The Practice agrees to, maintain eligibility for TennCare, Medicaid, TennCare and Medicare plans, or any successor programs in which the Hospital is currently participating and to cooperate with the Hospital in its efforts to maintain these participations, including, where necessary, appropriately adjusting separate billing fees.
- 2) Other plans. Although the Hospital cannot dictate a fee reduction to the Practice (which is an independent contractor), Hospital agrees to meet with Practice in good faith negotiations to reach a mutual accord on contracting with managed care plans and other third party payors. However, consistent action on the part of Practice which prevents the Hospital from participating in managed care plans and other third party payors may result in the termination of this Agreement.

2. PRACTICE COVENANTS AND WARRANTIES. The Practice makes the following representations and warranties to Hospital with respect to each Physician who will provide services under this Agreement, unless otherwise set out in Schedule C to this Agreement.

- A. Licensure. The Physicians are duly licensed to practice medicine in the State of Tennessee.
- B. Medical Staff Appointments. At all times during the term of this Agreement, the Physicians must be appointees of the Active (or provisional, as the case may be) Medical Staff of the Hospital, with privileges in Specialty sufficient to permit the Physicians to perform all services required of them under this Agreement.
- C. Licenses and Medicare/Medicaid and TennCare Participation. The Physicians shall at all times have all necessary narcotics and controlled substances numbers and licenses ("DEA number"); Physicians have not in the past conducted and are not presently conducting, Physicians' medical practice in a manner as to cause Physicians to be

suspended, excluded, barred or sanctioned under the Medicare, TennCare or Medicaid Programs, nor have Physicians ever been convicted of a criminal offense related to health care, or listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation as further described in the Health and Human Services Office of the Inspector General Cumulative Sanctions Report (<http://oig.hhs.gov/fraud/exclusions/listofexcluded.html>) OR the General Services Administration List of Excluded Parties (www.amet.gov/eplis).

- D. Suspension of License. Physicians' licenses to practice medicine in any state have never been suspended or revoked, nor is any action pending.
- E. Discipline. Physicians have never been reprimanded, sanctioned, or disciplined by a licensing board or state or local medical society or specialty, nor is any action pending.
- F. Membership Denial. Physicians have never been denied membership or reappointment of membership to the medical staff of any hospital. Any termination of privileges due to contractual issues, such as termination of a contract, is not considered to be a termination of privileges for this purpose.
- G. Satisfaction of Hospital. All Physicians selected by Practice to provide services under this Agreement shall meet the reasonable satisfaction of Hospital, subject to Section 23, below.

3. PARTIES' RELATIONSHIP. The Practice and Physicians at all times will act as independent contractors practicing medicine and will not act or hold themselves out to third parties as employees or agents of the Hospital in the provision of Specialty services under this Agreement.

Hospital will place signs in the Department stating that the Practice and Physicians are independent contractors for whose professional medical services a separate bill will be issued.

4. TAXES AND BENEFITS. Because the Practice and Physicians are independent contractors, the Hospital will not withhold income tax or Social Security tax on behalf of the Practice' employees, subcontractors, or agents. In addition, nobody will have any claim under this Agreement or otherwise against the Hospital for vacation pay, sick leave, unemployment insurance, Worker's Compensation, retirement benefits, disability benefits, or employee benefits of any

kind. The Practice will have exclusive responsibility for the payment of all such taxes and arrangements for insurance coverage and will discharge its responsibility fully.

5. INCURRING FINANCIAL OBLIGATION. Neither the Practice nor Physicians will incur any financial obligation on behalf of the Hospital without prior written approval of the Hospital CEO.

The Practice will be responsible for all Physicians' personal and professional expenses, including, but not limited to, membership fees and dues and expenses of attending conventions and meetings.

6. OTHER PERSONNEL. In consultation with the Physicians or the Practice, the Hospital will employ or assign all non-Physician personnel reasonably necessary for the proper operation of the Department. All salaries, wages, taxes, insurance, Worker's Compensation insurance and other expenses and benefits incidental to the employment of such non-Physician personnel by the Hospital will be the responsibility and obligation of the Hospital.

The Hospital will have the sole right, in consultation with the Physicians, to determine the hours of work, discipline, and termination of the non-Physician personnel.

Neither the Hospital nor the Practice will hire or offer to hire any employee of the other during or for one (1) year after the termination or expiration of this Agreement without the written consent of the other party.

7. SPACE, EQUIPMENT, AND SUPPLIES. During the term of this Agreement, the Hospital will make available the space, utilities, equipment, supplies, and services, including housekeeping and laundry, reasonably necessary for the proper operation of the Department. The Hospital will maintain its equipment in good order and repair.

8. EXCLUSIVITY. During the term of this Agreement, the Hospital will not extend Active Medical Staff privileges to any other Physicians not affiliated with the Practice to practice the Specialty in the Department. The definition of the Department excludes the Cardiac Catheterization Lab (Special Procedures Room) where physicians of other medical specialties, e.g. cardiologists, may be credentialed to practice and perform invasive procedures with the aid of imaging equipment. For procedures performed outside the Special Procedures Room, the Hospital will require all physicians to

provide adequate documentation of all image guide procedures performed or imaging utilized in the course of surgical or non-surgical procedures and will require documented interpretation of these studies.

Upon expiration or termination of this Agreement, all Physicians' privileges will be automatically terminated, an event which is not reportable to the National Practitioner Data Bank. In the event a Physician performing services under this Agreement is no longer associated with the Practice, that Physician shall be terminated without cause from the Hospital's Medical Staff as described in Schedule D, an event which is not reportable to the National Practitioner Data Bank.

The terms of this Agreement will take precedence over any inconsistent terms which may be found in the Bylaws of the Medical Staff or the Hospital, presently existing or as amended.

The Physicians may subcontract for services to another physician to perform services in disaster cases or special consultations in cases for which the Physicians are not trained or are unable to render services.

9. OWNERSHIP OF MEDICAL RECORDS. The Practice will cause Physicians to keep accurate and complete records on Hospital patients in accordance with Hospital policy. All records will remain the property of the Hospital. Physicians and the Practice shall have reasonable access to the records as necessary for professional and billing purposes.

10. FEES, BILLING, COLLECTION AND REMUNERATION. The parties will bill separately for their services as further described in Schedule B, attached and incorporated by reference

Definitions: For the purposes of this Section, the following definitions generally apply, although this Agreement here specifically incorporates the Medicare Conditions of Participation for the Specialty [42 CFR Sections 415.100 - 415.130, Services of Physicians in Providers], as amended from time to time.

A. Services To Patients: Those services which:

- 1) are personally furnished by a Physician to an individual patient;
- 2) ordinarily require performance by a Physician; and

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- 3) are identifiable, direct, and discrete diagnostic or therapeutic services to an individual patient.

B. Services To Hospital: Those services which do not qualify as Services to Patients, but which are related to the provision of patient care in Hospital; e.g., administrative services.

11. ACCESS TO BOOKS AND RECORDS. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, the parties will make available those contracts, books, documents, and records necessary to verify the nature and extent of the costs of providing services under this Agreement. This inspection shall be available up to four (4) years after the rendering of such services. If the Practice carries out any of the duties of this Agreement through a subcontract with a value of \$10,000 or more over a twelve (12) month period with a related individual or organization, the parties agree to include this requirement in any such subcontract [see 42 USC Section 1395(x)(v)(1)(I)]. No attorney-client, accountant-client or other legal privilege will be deemed to have been waived by the parties by virtue of this Agreement.
12. REGULATORY REQUIREMENTS. The Hospital, Practice and the Physicians will operate the Department at all times in compliance with federal, state, and local laws, rules, and regulations, the policies, rules, and regulations of the Hospital, the applicable standards of the Medicare Conditions of Participation, Joint Commission on Accreditation of Healthcare Organizations, and all currently accepted and approved methods and practice of the professional Specialty.
13. INDEMNITY. Each party specifically reserves any common law right of indemnity and/or contribution which either party may have against the other. As a governmental entity, Hospital's ability to indemnify is governed by State law.
14. TERMINATION OF AGREEMENT.
- A. Term. The term of this Agreement will be for a minimum of three (3) years commencing March 31, 2015 and ending on April 1, 2018 unless otherwise terminated as provided in this Agreement.

B. Termination.

- 1) This Agreement may be terminated immediately by Hospital upon the occurrence of any of the following events:
 - (a) the non-contractual loss or suspension (whether temporary or permanent) of Physician's license to practice medicine under the laws of any state; the loss or suspension (whether temporary or permanent) of a Physician's clinical privileges at any hospital except on account of contractual issues, or any professional or board certification; if not immediately removed by Practice from performing services at Hospital. If this event is corrected, the Practice may return the Physician to the performance of services at Hospital;
 - (b) the loss of malpractice insurance with respect to Physicians; loss or suspension of Physician's DEA number; loss of eligibility to participate in Medicare and Medicaid; if not immediately removed by Practice from performing services at Hospital. If this event is corrected, the Practice may return the Physician to the performance of services at Hospital;
 - (c) upon the dissolution of Hospital if no successor is formed for at least thirty (30) days thereafter; upon closure of Hospital;
 - (d) upon the Practice' unauthorized attempted assignment or other unauthorized delegation of any of Practice' rights or obligations under this Agreement;
 - (e) upon Physician's indictment or conviction of a felony or of any other crime involving moral turpitude or immoral conduct, including any crime involving third party reimbursement or billing, or any action regarding submission of false claims to any payor, unless immediately

removed by Practice from performing services at Hospital;

- (f) upon the failure of Practice to remove any Physician from providing services under this agreement within 48 hours of notice from Hospital that any individual Physician is no longer reasonably satisfactory to Hospital, subject to the provision of Section 23 below.
- 2) This Agreement may also be terminated by either party upon thirty (30) days' written notice to the other party, upon the following events ("Events of Default"), unless the other party cures the Event of Default to the initiating party's satisfaction within the thirty (30) day period:
 - (a) upon breach of any representation or warranty set forth in this Agreement by the Hospital or Practices, or the Hospital or Practices' failure to send the other party notice of breach with two days' of its occurrence; or
 - (b) upon Hospital's reasonable and good faith determination that a Physician is not providing adequate patient care or that the health, safety or welfare of patients of Hospital is jeopardized by a Physician's continued performance under this Agreement, subject to the provisions of Section 23, below.
- 3) The remedy of termination provisions in this Section shall not be the exclusive remedy, but rather shall be in addition to any other rights and remedies that the parties may have at law or in equity.
- 4) Termination of this Agreement shall not release or discharge either party from any obligation, debt or liability which shall have previously accrued and remain to be performed on or after the date of termination.

C. Non-Interference. Following the expiration of this Agreement or its termination for any reason, the Practice, and Physicians agree to do nothing that intentionally interferes with any Hospital contract with any other individual or entity for the provision of Specialty services.

December 23, 2015**2:46 pm**

15. **NOTICES.** Any notices or payments permitted or required by this Agreement shall be deemed made on the day personally delivered in writing or mailed by certified mail, postage prepaid, to the other party at the address set forth below or to such other persons and addresses as either party may designate in writing:

If to the Practice: Advanced Diagnostic Imaging, PC
P.O. Box 249
Goodlettsville, TN 37070-0249

If to Hospital: Williamson Country Hospital District
d/b/a Williamson Medical Center
2021 Carothers Rd.
Franklin, TN 37067
Attention: CEO

16. **NO INDUCEMENT TO REFER.** Nothing in this Agreement, whether written or oral, nor any consideration paid is intended to induce, contemplate or require the referral of any patient. This Agreement is not intended to influence the judgment of Physicians in choosing the medical facility appropriate for the proper treatment and care of his or her patients. Any Physicians performing services under this Agreement shall not receive any compensation or remuneration for referrals, if any.

The parties specifically do not intend to violate the federal (or any state's) Anti-Fraud and Abuse provisions [42 USC §1320a-7b(b)] or the Physicians Ownership and Referral Act [42 USC §1395nn] (commonly known as the Stark Act). The parties intend to comply with the Safe Harbor for Personal Service Agreements contained at [42 CFR §1001.952(d)] and the personal service exemption to the Stark Act.

17. **LAW.** The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Tennessee.
18. **SEVERABILITY.** The invalidity or unenforceability of any provisions of this Agreement will not affect the validity or enforceability of any other provision.
19. **ASSIGNABILITY.** The rights and obligations of the Hospital shall inure to the benefit of and be binding upon the successors and assigns of the Hospital, provided that such successors operate the facility currently operated by the Hospital. The Practice may not assign its rights or obligations under this Agreement, by operation of law or otherwise, without the Hospital's written consent. Any

assignment in violation of this provision shall give the Hospital the right to terminate this Agreement immediately, upon written notice to the Practice.


20. **AMENDMENTS.** Any amendments to this Agreement will be effective only if in writing and signed by the parties.
21. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement of the parties with respect to this subject matter.
22. **NO WAIVER.** No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision. No delay in acting with regard to any breach of any provision of this Agreement shall be construed to be a waiver of such breach.
23. **APPROVAL OF PHYSICIANS BY HOSPITAL.** In the event of a dispute between the parties in regard to ability, capability or appropriateness of the Practice of any Physician in the Hospital's Radiology Department, the parties agree that the following procedure will be used in an attempt to resolve the dispute.
 - A. A meeting shall promptly be held within seventy-two (72) hours at which all parties are present or represented by individuals with full decision-making authority regarding the ability, capability or appropriateness of the Physician's disputed action.
 - B. The parties agree to participate in good faith in the negotiations in the meeting.
 - C. Following the meeting, if the parties are unable to mutually agree on return of the Physician to the Department, that Physician will not be scheduled to render further services there. A mediation board consisting of one representative of the Practice and one representative of the hospital and two members of the medical staff, selected by the chief of medical staff will convene to recommend resolution of disputes. The parties agree in good faith to try to abide by the recommendation of the mediation panel. If the parties are unable to mutually agree on the return of a disputed Physician to rendition of services in the Imaging Department, that Physician will not be scheduled to render further services there.

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2:46 pm

IN WITNESS WHEREOF, the parties have each caused its name to be subscribed by a duly authorized officer as of the day and year first above written.

The Practice:

By: 
Title: President, ASD, PC

Hospital:

Williamson County Hospital District
d/b/a/ Williamson Medical Center
2021 Carothers Road
Franklin, TN 37067-8542

By: 
Dennis E. Miller, CEO

Schedule A

**Description of Medical Director Duties
and Administrative Services**

- A. The Medical Director shall be active on the relevant medical staff committees
- B. The Medical Director shall also participate with clinical department heads when needed.
- C. The Medical Director shall be available to ED Nursing Director for consultation in a timely manner.
- D. The Medical Director must review patient concerns in a timely manner.
- E. The Medical Director must provide as needed, inservice programs per year for the Department nursing staff on pertinent subjects.
- F. The Medical Director must be an active participant in the Performance Improvement process assisting in setting standards of performance.

Schedule B**Billing and Compensation****SEPARATE BILLING ARRANGEMENT - NO COMPENSATION FROM HOSPITAL TO THE PRACTICE**

- A. The Practice shall establish a schedule of fees to be charged to all patients for Services to Patients furnished by or in Hospital's Department. These will be usual and customary for the Middle Tennessee Area.
- B. The Practice's sole source of compensation under this Agreement shall be the fees collected by the Practice from its patients or responsible third-party payors. The Practice will bill and collect only for those fees considered Services to Patients and will be responsible at its own expense for all such billing and fee collection. Hospital will provide adequate and timely records necessary for the Practice to bill, preferably in an electronic format.
- C. The Hospital shall be responsible for billing the Hospital's patients or responsible third party payor, as appropriate, for the use of equipment, supplies, and Hospital personnel. These charges shall not be considered a charge of Physicians to the patient. The Physicians and the Practice will cooperate with the Hospital in maintaining records to facilitate accurate reimbursement to the Hospital.
- D. The Hospital, Physicians and the Practice will comply with those provisions of the law which affect reimbursement to the other. Additionally, because Physicians provide charting services to support reimbursement of Hospital claims, Physicians agree to document services rendered in a lawful, complete and adequate fashion so as to support proper coding of claims. Neither the Hospital, Physicians, nor the Practice will do anything which will adversely affect such reimbursement of the others' Medicare provider status.
- E. Should any changes in State or Federal reimbursement laws or regulations occur which affects third party reimbursement of the Hospital or the Practice during the term of this Agreement, either party may request renegotiation of the applicable terms of this Agreement by written notice to the other party. If no new Agreement is reached within sixty (60) days of receipt of notice, then either party may terminate this Agreement upon an additional thirty (30) days' written notice.

Schedule C

Exceptions to representations and warranties:

Describe:

December 23, 2015**2:46 pm****Schedule D****PHYSICIAN AGREEMENT**

I, _____, have reviewed and acknowledge receipt of the Agreement dated _____, 200____, between _____ Hospital and the Practice ("Agreement"), and, in consideration of my selection to perform Specialty services under the Specialty Agreement, I agree to be bound by all of its terms and conditions, and any amendments which may be executed in the future, with the same effect as if I had personally executed the Agreement or amendments.

If my contract, employment relationship, membership in or affiliation with Practice is terminated, then my medical staff appointment and clinical privileges will terminate automatically. I expressly waive any right to any challenge or review (under the Hospital's Fair Hearing Plan or otherwise) of the termination of my medical staff appointment and clinical privileges pursuant to this Section.

In consideration of the rights granted by this Agreement, if this Agreement expires or is terminated for any reason, I will resign their medical staff membership and privileges effective with the effective date of the termination of the Agreement. The terms of this Agreement will take precedence over any inconsistent terms which may be found in the bylaws of the Medical Staff or of the Hospital, or in the group's contract with me, if any.

Termination or resignation, in and of itself, shall not constitute a negative action reportable as staff membership revocation in future applications.

Physician

Date

December 23, 2015

2:46 pm

SEVENTH AMENDMENT TO RADIOLOGY DEPARTMENT SERVICES AGREEMENT

This Amendment is entered into this 1ST day of April 2015, by and between WILLIAMSON COUNTY HOSPITAL DISTRICT d/b/a WILLIAMSON MEDICAL CENTER ("Hospital") and ADVANCED DIAGNOSTIC IMAGING, P.C. ("Practice") to be effective April 1, 2015.

WHEREAS, Hospital and Practice have entered into a radiology department services agreement dated April 1, 2008, wherein Practice provides administrative services, medical director services and professional medical services to Hospital in its Radiology Department ("Agreement"); and

WHEREAS, Hospital and Practice entered into a first amendment to the Agreement dated May 25, 2009; and

WHEREAS, Hospital and Practice entered into a second amendment to the Agreement dated September 30, 2009; and

WHEREAS, Hospital and Practice entered into a third amendment to the Agreement dated April 1, 2011; and

WHEREAS, Hospital and Practice entered into a fourth amendment to the Agreement dated April 1, 2012; and

WHEREAS, Hospital and Practice entered into a fifth amendment to the Agreement dated April 1, 2013; and

WHEREAS, Hospital and Practice entered into a sixth amendment to the Agreement dated April 1, 2014; and

WHEREAS, Hospital and Practice desire to extend the term of the Agreement for a period of one (1) year, as specifically provided herein; and

WHEREAS, the parties agree that the terms and conditions of the Agreement, shall continue in full force and effect except as otherwise provided herein; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, and not withstanding any contrary provisions of the Agreement, the Agreement is hereby amended as follows:

1. **Definitions.**

For purposes of this Amendment, including, but not limited to, the foregoing recitals, all capitalized terms used but not defined in this Amendment shall have the meaning ascribed to them in the Agreement.

2. **Renewal of Term.**

The Agreement is hereby renewed for an additional one (1) year period and shall terminate on March 31, 2016.

December 23, 2015

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3. **Ratification.**

In the event of any conflict or inconsistency between the provisions of the Agreement and the provisions of this Amendment, the provisions of this Amendment shall control. The Agreement, as amended by this Amendment, is hereby ratified and affirmed.

4. **Agreement Remains in Effect.**

Subject to the specific provisions set forth in this Amendment, the Agreement shall remain in full force and effect without modification.

IN WITNESS WHEREOF, the parties execute this Amendment.

Date: 4-1-15

WILLIAMSON COUNTY HOSPITAL DISTRICT d/b/a
WILLIAMSON MEDICAL CENTER

Paul Bobb

Donald Webb, CEO

ADVANCED DIAGNOSTIC IMAGING, P.C.

Chad Calendine

By: Chad Calendine, MD, CEO

Exhibit C

SUPPLEMENTAL #1**December 23, 2015****2:46 pm**

Privilege Form Name	Totals per Specialty
Allergy & Immunology	4
Anatomic Pathology & Clinical Pathology	24
Anesthesiology	76
Audiology	3
Cardiovascular Disease	27
Certified Registered Nurse Anesthetist - CRNA	63
Community Staff - Membership Only/No Admitting	
Dermatology	8
Emergency Medicine	11
Endocrinology, Diabetes & Metabolism	4
Family Medicine	16
Gastroenterology	4
General Surgery	12
Gynecology	2
Hematology	1
Hematology and Medical Oncology	7
Infectious Disease	8
Internal Medicine	35
Interventional Cardiology	4
Maternal & Fetal Medicine	10
Medical Genetics	1
Medical Oncology	6
Neonatal Nurse Practitioner	23
Neonatal-Perinatal Medicine	8
Nephrology	24
Neurological Surgery	10
Neurology	18
NP-Women's Health (NPWH)	1
Nurse Practitioner	5
Nurse Practitioner - Emergency Medicine	2
Obstetrics & Gynecology	17
Ophthalmology	6
Oral & Maxillofacial Surgery	8
Orthopaedic Surgery	33
Orthopedic Technician	1
Otolaryngology	16

SUPPLEMENTAL #1**December 23, 2015****2:46 pm**

Pain Medicine	3
Pediatric Cardiology	2
Pediatric Emergency Medicine	11
Pediatric General Surgery	2
Pediatric Sports Medicine	1
Pediatric Urology	7
Pediatrics	69
Physician Assistant	12
Physician Assistant - Emergency Medicine	2
Plastic Surgery	9
Plastic Surgery Within the Head and Neck	5
Podiatric Medicine & Surgery	3
Psychiatry	1
Pulmonary Disease	4
Radiation Oncology	8
Radiology	36
Registered Nurse	2
Reproductive Endocrinology	1
Rheumatology	4
Surgery of the Hand	1
Thoracic Surgery	3
Urogynecology	2
Urology	6
Vascular & Interventional Radiology	1
Vascular Surgery	4
Total	697

Exhibit D

December 23, 2015**2:46 pm**

Addendum to Quotation

GE Healthcare

This Addendum to Quotation ("Addendum") is entered into as of December 22, 2015, by and between Williamson Medical Center with an address at 4321 Carothers Pkwy., Franklin, TN 37067-5909 ("Customer") and General Electric Company, by and through its GE Healthcare division with an address at 9900 Innovation Drive, Wauwatosa, WI 53226 ("GE Healthcare").

WHEREAS, GE Healthcare has provided Customer with that certain Quotation # PR1-C40393 Version 7 dated December 22, 2015 (the "Quotation", attached hereto as Exhibit A) concerning GE Healthcare's desire to sell to Customer, and Customer's agreement to purchase from GE Healthcare, certain GE Healthcare products and/or services listed on such Quotation in accordance with the terms and conditions set forth on the Quotation (the "Agreement"); and

WHEREAS, the parties now desire to amend and/or supplement the Agreement in accordance with the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the representations and mutual undertakings hereinafter set forth, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the foregoing and as follows:

1. The GE Healthcare Quotation is amended by modifying the "Quotation Expiration Date" to be 03-31-2016. ✓
2. Entire Agreement. In the event of any conflict between the terms and conditions of this Addendum on the one hand, and the Agreement on the other hand, the terms and conditions of this Addendum shall govern and control. Except as otherwise expressly provided in this Addendum, the parties agree that all provisions of the Agreement are hereby ratified and agreed to be in full force and effect and are incorporated herein by reference. This Addendum and the Agreement contain the entire agreement among the parties relating to the subject matter herein and all prior proposals, discussions and writings by and among the parties and relating to the subject matter herein are superseded hereby and thereby.
3. Form of Payment. Customer's form of payment is as follows:

Initial to indicate form of payment:
(If potential for a lease exists, GE HFS or otherwise, select lease)

_____ Cash* _____ Lease _____ HFS Loan
If leasing please provide name of finance company below:

*Selecting cash declines option for GE HFS financing

SUPPLEMENTAL #1

December 23, 2015

2:46 pm

IN WITNESS WHEREOF, Customer and GE Healthcare have caused this Addendum to be executed by their duly authorized representatives as of the day and year first above written.

Williamson Medical Center

GE Healthcare

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A

Quotation # PR1-C40393 Version 7 dated December 22, 2015

Please see attached.



GE Healthcare

SUPPLEMENTAL #1

December 23, 2015

Date: 12-21-2015

Quote #: PR1-C40393

Version #: 7

Williamson Medical Center
4321 Carothers Pkwy
Franklin TN 37067-5909

Attn: Sharon Cooke
4321 Carothers Pkwy Franklin
TN 37067-5909

Customer Number : 1-23J0NO
Quotation Expiration Date: 03-20-2016 ✓

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranties; (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation.

No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties.

Governing Agreement:	None
Terms of Delivery:	FOB Destination
Billing Terms:	80% delivery / 20% Installation
Payment Terms:	Due ON Receipt - 30 Days
Total Quote Net Selling Price:	\$1,274,518.83

INDICATE FORM OF PAYMENT:

If "GE HFS Loan" or "GE HFS Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Financial Services (GE HFS) to fund this arrangement after shipment.

- ☐ Cash/Third Party Loan
- ☐ GE HFS Lease
- ☐ GE HFS Loan
- ☐ Third Party Lease (please identify financing company)

By signing below, each party certifies that it (i) has received a complete copy of this Quotation, including the GE Healthcare terms, conditions and warranties, and (ii) has not made any handwritten or electronic modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE

J McNatt

12-21-2015

Signature

Date

Product Sales Specialist

Email: J.Mcnatt@med.ge.com

Mobile: +1 865 382 7555

Fax: 865-381-1558



GE Healthcare

SUPPLEMENTAL #1

December 23, 2015

Date: 12-21-2015
Quote #: **2:46 pm** PR1-C40393
Version #: 7

Total Quote Selling Price	\$1,274,518.83
Trade-In and Other Credits	\$0.00
Total Quote Net Selling Price	\$1,274,518.83

To Accept this Quotation

Please sign and return this Quotation together with your Purchase Order To:

J McNatt

Mobile: +1 865 382 7555

Email: J.Mcnatt@med.ge.com

Fax: 865-381-1558

Payment Instructions

Please **Remit** Payment for invoices associated with this quotation to:

GE Healthcare

P.O. Box 96483

Chicago, IL 60693

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate, your form of payment.
- If you include the purchase order, please make sure it references the following information
 - The correct Quote number and version number above
 - The correct Remit To information as indicated in "**Payment Instructions**" above
 - The correct SHIP TO site name and address
 - The correct BILL TO site name and address
 - The correct Total Quote Net Selling Price as indicated above

"Upon submission of a purchase order in response to this quotation, GE Healthcare requests the following to evidence agreement to contract terms.

Signature page on quote filled out with signature and P.O. number.

*****OR*****

Verbiage on the purchase order must state one of the following: (i) Per the terms of Quotation #_____; (ii) Per the terms of GPO#_____; (iii) Per the terms of MPA #_____; or (iv) Per the terms of SAA #_____. Include the applicable quote/agreement number with the reference on the purchase order.

In addition, source of funds (choice of: Cash/Third Party Loan or GE HFS Lease or GE HFS Loan or Third Party Lease through _____), must be indicated, which may be done on the quote signature page (for signed quotes), on the purchase order (where quotes are not signed) or via a separate written source of funds statement (if provided by GE Healthcare)."



GE Healthcare

SUPPLEMENTAL #1

December 23, 2015

Date: 2:46 pm

12-21-2015

Quote #:

PR1-C40393

Version #:

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Item No.	Qty	Catalog No.	Description
	1		Optima MR450w 1.5T 16-Ch 25.0
1	1	S7525AW	<p>Optima MR450w 1.5T MR System - EX Platform</p> <p>The Optima MR450w 1.5T MR system from GE Healthcare is designed to deliver a comfortable patient-friendly environment while also delivering uncompromised clinical performance and streamlined workflow.</p> <p>The EX configuration includes the system electronics, operating software, imaging software, post-processing software:</p> <ul style="list-style-type: none">• eXtreme Gradient Technology• Acoustic Reduction Technology• OpTix RF Receive Technology• T/R Body Coil & T/R Head Coil• Volume Reconstruction Engine• Computing Platform and DICOM• Express Patient Table• Express 2.0 Workflow and In-Room Operator Console• ScanTools and EX Tools <p>eXtreme Gradient Technology: The Optima MR450w delivers high temporal resolution through 3-axis gradient amplifier power supply and efficient gradient coil design as well as high spatial integrity through excellent magnet homogeneity and gradient linearity over a large FOV. In addition, the XRM gradients are non-resonant and actively shielded to minimize eddy currents, and use an innovative digital control architecture design to deliver high fidelity, accuracy and reproducibility</p> <ul style="list-style-type: none">• Peak amplitude per axis: 34 mT/m• Up to 150 T/m/s instantaneous peak slew rate per axis• Peak current & voltage: 660 Amps, 1650 Volts• Digital PI feedback loop control• Maximum FOV: 50cm• Duty cycle: 100% <p>Acoustic Noise Reduction Technology: The Optima MR450w system features five levels of acoustic reduction technology to deliver an enhanced patient environment.</p> <ul style="list-style-type: none">• Gradient & RF coil isolation• Acoustic dampening material



GE Healthcare

SUPPLEMENTAL #1

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Date: 2:46 pm 12-21-2015

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Item No.	Qty	Catalog No.	Description
			<ul style="list-style-type: none">• Vibro-acoustic isolation• Gradient waveform optimization <p>The OpTix RF receive chain enables high bandwidth, high channel count reception with improved SNR over conventional MR receiver designs. The MR signal is digitized within the scan room and then optically transmitted to the reconstruction engine in the electronics room increasing SNR for all volume acquisitions.</p> <ul style="list-style-type: none">• Simultaneous channel/receivers: 16• Receiver sampling per channel: 80 MHz• Receiver dynamic range at 1 Hz BW: >165 dB• Receiver resolution: up to 32 bits• Digital quadrature demodulation <p>T/R Body Coil and T/R Head Coil: The Optima MR450w system includes a transmit-and-receive RF body coil and a split-top transmit-and-receive RF head coil. The RF body coil is integrated into a single module with the gradient coil, which is both water and air cooled for excellent duty cycle performance and patient comfort.</p> <p>Volume Reconstruction Engine: The Optima MR450w system features a powerful volume reconstruction engine with onboard memory and local raw data storage to support and maintain simultaneous data acquisition and reconstruction under the most demanding applications. VRE uses 64-bit computing, delivering high acquisition memory and fast performance. Parallel processing and high speed interconnects provide scalable memory and throughput. The acquisition to disk feature automatically expands the memory per the demands of the application.</p> <p>The VRE 5.0 volume reconstruction engine delivers the performance needed for challenging, data-intensive applications that use RF high channel counts and advanced parallel imaging. VRE 5.0 enables enhanced speed compared to previous generations due to solid state hardware and core performance gains.</p> <ul style="list-style-type: none">• 14,000 2D FTTs/sec with 2562 and full FOV• Dell R620XL (Intel) with Scientific Linux (RT) OS• 48GB RAM with 8 @ 2.5Ghz Cores <p>Computing Platform: The Intel Xeon Nehalem Dual Core Processor computing platform utilizes a parallel, multi-processor design to enable simultaneous scanning, reconstruction, filming, post-processing, archiving, and networking. The keyboard assembly integrates an intercom speaker, microphone, volume controls, and</p>



GE Healthcare

SUPPLEMENTAL #1

December 23, 2015

Date: 12-21-2015
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			<p>emergency stop switch. Start scan, pause scan, stop scan and table advanced to center hot keys are also included.</p> <ul style="list-style-type: none">• 8GB DDR3 Memory• 146GB SAS disk subsystem• 24" flat panel LCD with 1920x1200 resolution• Single tower configuration• DVD interchange <p>DICOM: The Optima MR450w system generates MR Image, Secondary Capture, Structured Report, and Gray Scale Softcopy Presentation State DICOM objects. The DICOM networking supports both send and query retrieve as well as send with storage commit to integrate with PACS archive.</p> <p>M7000WF (1 unit included in S7525AW) Express Patient Table: The Express patient table is fully detachable – easily docked and undocked by a single operator – and simple to move in and out of the exam room for patient transport and preparation. These features can be vital in instances where multiple patient transfers can negatively impact patient care or when emergency extraction is required.</p> <p>In addition, the Express patient table enables patient preparation for an exam outside of the scan room, thus reducing the necessary steps before starting the acquisition. Surface coil positioning, IV poles, arm boards, support pads and blankets are easily setup in advance of entering the exam room. The Express Patient Table offers head- or feet first imaging for most anatomies.</p> <ul style="list-style-type: none">• Maximum patient weight for scanning: 500 lbs• Patient table drive: Automated, power driven vertical & longitudinal• Longitudinal speed: 30 cm/sec (fast) and 0.5 cm/sec (slow)• Total cradle length: 211 cm• Scan range: 205 cm <p>Workflow: Express Workflow 2.0 incorporate features designed to streamline and automate exams.</p> <ul style="list-style-type: none">• In-Room Operator Console and controls• Protocol Libraries & Management Tools• Workflow Manager & Auto Functions• Inline Processing, Networking & Viewing• Start Scan, Stop Scan, Pause/Resume Scan



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The In-Room Operator Console and dual-sided controls enable interaction with the host computer from the magnet room. The user has direct control or selection of:

- Display of patient name, ID, study description
- Display and entry of patient weight
- Display and entry of patient orientation and position
- Cardiac gating waveform display
- EKG lead confirmation with gating control
- Respiratory waveform display
- IntelliTouch Landmarking
- AutoStart
- Display of coil connection and status
- Display of table location and scan time
- Screen saver

Express Exam enables complete control of protocols for prescription, archiving, searching, and sharing. Protocols are organized into two libraries – GE authored and Site authored – Protocol Notes allow customized notes to be saved with each protocol. : ProtoCopy enables a complete exam protocol, from either a library or previous exam, to be shared with a mouse click, and the Modality Worklist provides an automated method of linking exam and protocol information for a patient directly from a DICOM Worklist server.

The Workflow Manager controls the execution of scan prescription, acquisition, processing, viewing and networking and may automate these steps, when requested by the user. AutoStart automatically starts the first acquisition as soon as the technologist exits the magnet room, and AutoVoice ensures that consistent and repeatable instructions are delivered to the patient.

Processing steps are automatically completed with Inline Processing once the data have been reconstructed and the images saved into the database. For certain tasks, the user must accept the results or complete additional steps prior to saving the images. These automatic Inline Processing steps can be saved into the Protocol Library.

Inline Viewing allows the user to conveniently view, compare, and analyze images from the Scan Desktop by selecting the desired series from the Workflow Manager.

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			<p>ScanTools: ScanTools 25.0 and the EX clinical package deliver an expansive portfolio of advanced applications, imaging options, and visualization tools packaged with the system operating software to provide extensive clinical capability and enhanced productivity.</p> <p>Advanced Neuro Applications:</p> <ul style="list-style-type: none">• eDWI diffusion with Multi-B and Smart-NEX• Diffusion Tensor diffusion with FiberTrak• SWAN 2.0 susceptibility imaging• IDEAL FSE & GRE-based fat-water imaging• PROPELLER 3.0 motion robust radial FSE• PROPELLER 3.0 FSE-based diffusion imaging• 3D Cube 2.0 FSE-based 3D imaging• Dual Inversion 3D Cube imaging• Spin Echo & Fast Spin Echo Suites• T1-FLAIR & T2-FLAIR Suite• Gradient Echo & Fast GRE Suites• Spoiled Gradient Echo & Fast SPGR Suites• Echo Planar, EPI FLAIR & fMRI EPI Suites• EchoPlus with RTFA diffusion imaging• 3D FIESTA & 3D FIESTA-C steady-state imaging• 3D BRAVO IR-prepped fast SPGR imaging• 3D COSMIC modified steady-state imaging• 2D/3D MERGE multi-echo recombined GRE imaging• PROBE PRESS and STEAM single voxel spectroscopy• 2D and 3D CSI• BrainSTAT GVF & AIF parametric maps• Ready Brain automated brain exam prescription <p>Advanced Spine & MSK Applications:</p> <ul style="list-style-type: none">• eDWI diffusion with Multi-B and Smart-NEX• Diffusion Tensor diffusion with FiberTrak• IDEAL FSE & GRE-based fat-water imaging• PROPELLER 3.0 motion-robust radial FSE• 3D Cube 2.0 FSE-based 3D imaging

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			<ul style="list-style-type: none">• Spin Echo & Fast Spin Echo Suites• Gradient Echo & Fast GRE Suites• 3D COSMIC modified steady-state imaging• 2D/3D MERGE multi-echo recombined GRE imaging• High Bandwidth FSE artifact reduction• Spectral Spatial Fat Suppression <p>Advanced Body Applications:</p> <ul style="list-style-type: none">• eDWI diffusion with Multi-B and Smart-NEX• 3D LAVA Flex fat-water T1 DCE with Turbo ARC• IDEAL FSE & GRE-based fat-water imaging• IDEAL IQ fat assessment• StarMap T2* imaging• Body Navigators pencil-beam diaphragm tracker• PROPELLER 3.0 motion robust radial FSE• Spin Echo & Fast Spin Echo Suites• Gradient Echo & Fast GRE Suites• 3D Cube 2.0 FSE-based 3D imaging• 3D LAVA T1 DCE imaging with Turbo ARC• 2D/3D Dual Echo Fat-Water Imaging• 3D FR FSE MRCP & HYDRO imaging• Enhanced SSFSE single-shot FSE imaging• 2D FS FIESTA steady-state imaging• Multi-phase DynaPlan• SmartPrep automated bolus detection• Fluoro Trigger real-time bolus monitoring• Respiratory Compensation, Gating & Triggering• iDrivePro & iDrivePro Plus real-time imaging• SPECIAL IR Fat Saturation <p>Advanced Vascular Applications:</p> <ul style="list-style-type: none">• Inhance 2.0 NCE-MRA suite• TRICKS dynamic 3D CE-MRA• SWAN 2.0 susceptibility imaging



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Item No.	Qty	Catalog No.	Description
			<ul style="list-style-type: none">• Flow Analysis post-processing• Body Navigators pencil-beam diaphragm tracker• 2D/3D Time-Of-Flight & 2D Gated Time-of-Flight• 2D/3D Phase Contrast & Phase Contrast Cine• SmartPrep automated bolus detection• Fluoro Trigger real-time bolus monitoring• 3D QuickStep automated multi-station imaging• Magnetization Transfer• Flow Compensation• Peripheral & EKG Gating & Triggering• Respiratory Compensation, Gating & Triggering
			Advanced Cardiac Applications: <ul style="list-style-type: none">• 2D Phase Sensitive MDE myocardial imaging• MDE Plus• Cine IR gated GRE imaging with progressive T1• FGRE TC myocardial time course timing• Black Blood SSFSE multi-slice imaging• Flow Analysis post-processing• Double-Triple IR-FSE with spectral fat suppression• FastCine FGRE-based, gated multi-phase imaging• 2D FIESTA Cine steady-state, gated multi-phase imaging• 3D FS FIESTA steady-state coronary imaging• iDrivePro Plus real-time inter-active imaging• Blood Suppression• Cardiac Navigator diaphragm tracker• Cardiac Compensation, Gating & Triggering• Respiratory Compensation, Gating & Triggering• Cine Paging (128 images/4 windows @ 30fps)• Flow Analysis post-processing
			Advanced Imaging Tools: <ul style="list-style-type: none">• ARC & Turbo ARC data-based parallel acceleration• ASSET 3.0 image-based parallel acceleration



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			<ul style="list-style-type: none">• Real Time Field Adjustment for DWI• Chemical Shift Direction Selection• 2D/3D GradWarp compensation• Acoustic Reduction Technology• IR Prep, DE Prep & T2 Prep• Full Echo Train & Tailored RF• Spectral Spatial Fat Suppression• SPECIAL IR Fat Suppression• ASPIR Fat Suppression• Matrix ZIP 512 & ZIP 1024• 3D Slice 2X ZIP & 4X ZIP• Square Pixel & Rectangular FOV• No Phase Wrap & No Frequency Wrap• Extended Dynamic Range
			Advanced Processing & Display: <ul style="list-style-type: none">• Inline Viewing & Inline Processing• Image Fusion & Image Pasting• SCIC & PURE surface coil intensity correction• Multi-planar Volume Reformat• Interactive Vascular Reformat• ClariView Image Filtering• Compare Mode & Reference Image• Cine Paging (128 images/4 windows @ 30fps)• Flow Analysis post-processing
			Advanced FuncTool Analysis: <ul style="list-style-type: none">• ADC maps & eADC mapping• Correlation Coefficient analysis• NEI Negative Enhancement Integral analysis• MTE Mean Time To Enhance analysis• Positive Enhancement Integral analysis• Signal Enhancement Ratio analysis• Maximum Slope Increase analysis

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			<ul style="list-style-type: none">• Maximum Difference Function analysis• Difference Function analysis
2	1	S4500WE	<p>Optima MR450w 1.5T Magnet, Gradient, RF Body Coil, Vibroacoustic Kit, and Dock Collector</p> <p>To improve the patient experience and provide high image quality, no other component of an MRI system has greater impact than the magnet. The Optima MR450w system features a short, wide bore magnet that delivers a large field of view. The magnet geometry has been optimized to reduce patient anxiety by providing more space in the bore and more exams with the patient's head outside of the magnet. The 50cm field of view provides uniform image quality and can reduce exam times since fewer acquisitions may be necessary to cover large areas of anatomy. Complemented by GE's active shielding technology, the Optima MR450w has very flexible installation specifications to provide easy siting. And with zero-boil-off magnet technology, helium refills are effectively eliminated, thus reducing operating costs and maximizing uptime.</p> <p>Magnet:</p> <ul style="list-style-type: none">• Manufactured by GE Healthcare.• Operating field strength 1.5T (63.86 MHz).• Active magnet shielding.• Zero boil-off Cryogenics.• Magnet length 145cm.• Patient Aperture 76 cm.• Patient Bore Diameter 70cm.• Patient Bore Length 105cm.• Maximum Field of View 50 cm.• Magnet Homogeneity at 47 cm x 42 cm (R x Z) volume ≤ 1.25.• Fringe field (axial x radial).• 5 Gauss = 4.0 m x 2.5 m.• 1 Gauss = 6.2 m x 3.7 m. <p>eXtreme Gradient Platform: The powerful gradient performance of the Optima MR450w system enables high resolution and fast acquisitions. The gradient platform includes the eXtreme Gradient Driver (XGD) and the optimized large field of view gradient coil. The eXtreme Gradient Drive (XGD) is housed within a single cabinet to simplify installation. Each axis is driven by a dedicated power supply and amplifier to ensure consistent performance for all image orientations. By incorporating a water-cooled architecture, this system supports continuous peak operation with a</p>



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			<p>100% duty cycle and excellent stability for both long-term serial studies and advanced applications.</p> <ul style="list-style-type: none">• Peak Gradient Amplitude of 34 mT/m per axis.• Peak Gradient Slew Rate of 150 T/m/s per axis. <p>Quiet Technology: GE has implemented Quiet Technology on critical components of the Optima MR system to reduce acoustic noise and improve the patient environment. This technology enables full use of the eXtreme Gradient Platform for excellent image quality, while maintaining a safe environment for the patient. The technology encompasses the gradient coil, RF body coil, and magnet mounting.</p> <p>The Optima MR450w Dock and Switch Collector is critical for the detachable table. The MR450w Liberty Dock provides the interface between the magnet and Express Patient table.</p>
3	1	S7505EJ	<p>MR450w Preinstallation Collector and Cable Concealment Kit</p> <p>The Preinstallation Collector delivers to the site in advance of the magnet and main electronic components. This facilitates the later delivery and installation of supporting electronics. The following are the main components in the Preinstallation collector:</p> <ul style="list-style-type: none">• Heat exchange cabinet for distribution of chilled water.• Primary Penetration wall panel for support of the penetration cabinet.• Secondary Penetration wall panel for support of gradient filters, helium cables, and chilled air and water.• Helium cryocooler hose kit. <p>The Optima MR450w Cable Concealment Kit accommodates a wide-range of scan room ceiling heights and is designed to provide a clean-look installation by concealing the overhead cabling from view.</p>
4	1	S4500YH	<p>Optima MR450w Cable Configuration - A</p> <p>To accommodate various electronic and scan room configurations and sizes, the MR450w has preset lengths of cables and connector kits to speed system installation. This cable collection is compatible with fixed and relocatable building configurations.</p>
5	1	M7000VM	<p>Vibroacoustic Dampening Kit</p> <p>Material in the Vibroacoustic Dampening Kit can significantly attenuate the transmission of gradient-generated acoustic noise through the building structure to nearby areas, including adjacent rooms and floors above or below the MR suite. If this kit is applied during the installation of a new magnet, no additional service charges are necessary. However, installation of the Vibroacoustic Dampening kit under an</p>

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			existing magnet requires special steps. The steps to prepare the site and steps to install, such as modifications to the RF screen room, and other magnet rigging, modifications to the RF screen room, and other finishing work, are not covered in the pricing.
6	1	M7000WL	<p>Main Disconnect Panel</p> <p>The Main Disconnect Panel safeguards the MR system's critical electrical components, by providing complete power distribution and emergency-off control.</p>
7	1	M7000DA	<p>iROC - In Room Operator Console Control: English</p> <p>English version of the Scan Control Interface for the host computer and MR450/MR750 MR magnet. This hardware interface includes the ergonomically designed keyboard, two-way communication and voice command module between the host workspace and scanner, activation buttons for patient table control, acquisition interface to initiate the scanner, and emergency stop switch.</p> <p>English version of the dual control panels for the In Room Operator Console. The control panels include backlighting for easy visualization in darkened rooms, automated button highlights that signal which button to press for simplified workflow and ease of use, and a trackball with mouse buttons for interaction with the Operator Console and patient setup screens.</p>
8	1	M1000MW	<p>Operator's Console Table</p> <p>Wide table designed specifically for the color LCD monitor and keyboard.</p>
9	1	M3335CB	<p>1.5T Calibration Phantom Kit</p> <p>This 1.5T calibration kit contains a large volume shim phantom, a daily quality assurance phantom, an echo-planar calibration phantom, and the associated loader shells.</p>
10	1	M3335CA	Calibration Kit Phantom Holder Cart
11	1	R32052AC	Standard service package delivered for the warranty period.
12	1	S7525CT	<p>Breast Elite Package - 1.5T</p> <ul style="list-style-type: none"> • VIBRANT • 1.5T 16-channel Vanguard Breast MRI Table <p>VIBRANT is a fast, high resolution T1-weighted imaging sequence and application optimized for evaluation of breast tissue. VIBRANT uses parallel imaging acceleration</p>

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			<p>to quickly acquire multi-phase data without compromising spatial resolution. This 3D gradient echo technique, optimized for sagittal or axial acquisitions, uses an optimized inversion pulse and dual-shimming technology that yields enhanced image contrast and robust, uniform, bilateral fat suppression.</p> <p>For improved tissue contrast, VIBRANT is compatible with Flex imaging (sold separately). VIBRANT Flex acquisition will provide a water-only, fat-only, in-phase and out of phase data sets in a single acquisition and produce images with significantly reduced chemical shift and susceptibility artifacts.</p> <p>The Vanguard Breast MRI Table includes a 16-channel receive-only, high-density RF coil designed to produce images with optimal signal to noise ratio and uniform coverage for breast imaging. The Variable Coil Geometry of this product allows imaging coils to be customized for each breast of every patient, improving SNR over fixed coils. This results in the ability to resolve detail in morphology, which can lead to better breast cancer management and treatment options.</p> <p>The Sentinelle Vanguard for GE offers a detachable table with comprehensive features storage drawers, tray tables, padding, safety rails, movable sternum supports and integrated lighting - that work together to improve workflow. Patients can be prepared outside the MRI suite before and after imaging and intervention.</p>
13	1	S7525DK	<p>MR450w 1.5T Expert Coil Package</p> <ul style="list-style-type: none"> • 16-channel Head Neck Spine Array • 12-channel Body Array • 16-channel Flex Suite - Standard (MD & LG) • Flex Positioner • 3-channel Shoulder Array <p>The 16-channel Head Neck Spine Array delivers convenience without compromise. This 29-element coil serves as a high-resolution brain coil, high-density neuro-vascular array, and a multi-element spine coil in one convenient package. Designed to accommodate multi-dimensional parallel imaging in any scan plane, this coil yields unprecedented imaging speed and superior image quality, thanks in large part to a unique element arrangement that focuses the signal over the anatomy of interest.</p> <p>The 12-channel quadrature Body Array is designed for high-definition MR imaging of the chest, abdomen and pelvis. This 12-element phased-array coil provides extensive</p>

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			<p>coverage, enabling multi-station anatomical and vascular imaging of the chest-abdomen or abdomen-pelvis without repositioning the coil. The array is optimized for use with ASSET acceleration in enhanced breath-hold imaging procedures.</p> <p>The 16-channel Flex Suite is a versatile set of high density coils designed to give high quality images in a wide range of applications. The high degree of flexibility is particularly advantageous when imaging patients that do not fit the constraints of rigid coils, improving the patient and technologist experience, and enabling most exams to be completed with the same level of image quality expected from dedicated coils. This Standard set provides the two most commonly used flex coils, Medium and Large, and a knee stabilization fixture that is designed for compatibility with the standard curved table. With these two coils and the included accessories, this suite covers a broad range of muscular skeletal applications, including hand, wrist, elbow, shoulder, hip (unilateral and bilateral), knee, ankle, and foot. In addition, the coils versatility has been shown in a range of general purpose applications that include head, neck, and spine exams.</p> <p>The Flex Positioner is a multipurpose support for a broad range of exams including foot, ankle, forefoot, knee, and head. A dedicated forefoot attachment allows the flex array elements to be wrapped tightly around the foot, yielding improved image quality. A repositionable support pad in the foot and ankle attachment allows for selection of a 90 degree position, or a relaxed position of the ankle. The pads and straps included with the stabilizer facilitate rapid setup and allow for flexibility in how the anatomy is secured.</p> <p>The 3-channel Shoulder Array offers the increased signal-to-noise characteristic of phased-array technology, along with a unique sleeve design that delivers exceptional joint-imaging capabilities. The coil provides clear definition of the shoulder joint, specifically the head of the humerus, clavicle, acromion, supraspinatus muscle and ligaments. Patient comfort pads and restraining straps are included.</p>
14	1	M7000SD	<p>1.5T Small Flex Coil with Interface - P Connector</p> <p>The Small Flex Coil is the smallest of a versatile set of high density 16-channel receive coils designed to give high quality images in a wide range of applications. The smallest of these three coils is optimized for the reduced field of view and improved image quality needed in hand, wrist, and elbow imaging applications. Together with an extra interface assembly, this coil is ideal for MR sites doing a higher volume of musculoskeletal scans.</p> <p>The high degree of flexibility is particularly advantageous when imaging patients that</p>

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			<p>do not fit the constraints of rigid coils, improving the patient and technologist experience, and enabling most exams to be completed with the same level of image quality expected from dedicated coils.</p> <p>The Small Flex Coil is compatible with the Discovery MR450 and Optima MR450w systems with the standard Express Patient Table and also with the MR450w systems with the GEM Express Patient Table.</p> <p>Includes:</p> <ul style="list-style-type: none">• 1.5T Small Flex Coil.• Flex Interface Module 16-channel Fixed, P-Connector.• Flex Interface Module Cover.
15	1	E8912CA	<p>GE Optima MR450w/Pioneer Heat Exchangers - 49kW (20Tons)</p> <p>Cooling for your GE Healthcare MR system has never been so easy. GE Healthcare has partnered with the Glen Dimplex Group, a world leader in cooling systems, to offer heat exchangers designed to meet the needs of your MR System. Now you can look to GE Healthcare for your entire MR purchase and support.</p> <p>This heat exchanger is highly reliable and the only unit verified to perform with the new platform of GE Healthcare MR systems. As part of your integrated GE Healthcare solution, you'll work with a single contact throughout the whole installation. A Project Manager of Installation will help with building layout, room designs, delivery and installation - every step until your system is ready to scan. Our team will work seamlessly with architects, contractors and your internal team to help ensure timely, cost-effective completion.</p> <p>Once your cooling system is running, you'll get fast, highly-skilled service support managed through GE Healthcare - with the same quality and response time you expect from your MR system.</p> <p>FEATURES AND BENEFITS</p> <ul style="list-style-type: none">• Designed to provide stable fully dedicated cooling for your MR system's needs• Water/glycol outdoor-air-cooled heat exchangers to support your highest exam volumes and your full range of diagnostic procedures• Redundant fluid pumps with automatic switchover let you keep operating with no loss of cooling even if one pump goes down• Quad compressor, dual tandem refrigeration circuit design saves on energy while your system smoothly transitions through the 10% to 100% heat load capacity cycles of patient scanning and idling• Quiet operation between patient exams and overnight - ideal for facilities in

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			residential areas
			<ul style="list-style-type: none">• Comes with installation support, installation visits, preventative maintenance visit and 1 full year of parts and labor warranty• Installation support includes: support through GE's Project Manager of Install, GE's Design Center, technical support from the Glen Dimplex company, two (2) installation visits• Comprehensive and quality service rapidly delivered through our CARES service solution• 65 gallons of 100% glycol concentrate for complete system filling and diluting• Wall mounted remote display panel provides the ability to monitor the system's operation and indicates possible system errors• Filter kit with flow meter helps to ensure purity of water prior to entry to the MR system• Highly recommended that Vibration Isolation Spring Kit (E8911CJ) be added for systems that will be roof top mounted
			SPECIFICATIONS
			<ul style="list-style-type: none">• Net Cooling Capacity: 49 kW / 20 Ton• Maximum Coolant Flow: 35 gpm (132 l/m)• Coolant Outlet Temperature: 48 F (8.9 C)• Coolant Temp Stability: E 1.8 F (E1.0 C)• Max Coolant Pressure : 70 Psi (4.8 Bar)• Refrigerant: R407C• Ambient Temp Range: -20 to 120 F (-30 to 50 C)• Condenser Air Flow (Approx): 18,000 Cfm• Tank Capacity: 100 gal (378 l)• Flow Meter Range: 4-40 gpm• Filters: 50 micron cartridge filters• Supply Voltage: 460v / 3 phase / 60 Hz• Coolant Connections: 2" NPTF• Overall Size (L x W x H) 44" x 136" x 84.5"
			COMPATIBILITY:
			<ul style="list-style-type: none">• GE MR450w or Pioneer MR System
			NOTES:
			<ul style="list-style-type: none">• Item is NON-RETURNABLE and NON-REFUNDABLE

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16	1	E8804SB	<p>Medrad Spectris Solaris EP MR Injection System</p> <p>Medrad Spectris Solaris EP MR injector for use in all MR scanner field strengths up to and including 3.0T. Optimized touch-screen for fewer keystrokes, KVO (keep vein open) allows patient to be prepared before beginning the scan. Larger 115 ml saline syringe for longer KVO or multiple flushes. Includes cables and starter kit...E</p> <p>NOTE: GE is responsible for unpacking, assembly, and installation of equipment. Medrad will be available for technical assistance by phone at (412)767-2400. An additional charge will apply for on-site installation assistance. Medrad will be responsible for operational checkout, final calibration, in-service of the equipment, and initial applications training. Please contact the local Medrad office two weeks in advance of installation.</p>
17	1	E8823M	<p>Magnacoustics Genesis ULTRA Communication & Music System</p> <p>The Magnacoustics Genesis ULTRA is the only MRI Communication & Music System to interface directly with GE's MRI hardware and software. This allows software driven Auto Voice Commands from GE's computer to be delivered directly into the patient's ears for breath-hold sequences. This same interface allows the Technologist to talk directly to the patient through the console Mic even while the scan is in progress. The Genesis ULTRA also features an exclusive Patient Ready Signal. By simply depressing a small button on the handheld control an audible and visual signal is transmitted to the Technologist indicating the patient's readiness for the scan to begin. This simple step streamlines the breath-hold exam which amounts to approximately 30% of all exams. Patient Handheld Volume and Media Selection Controls with Voice Feedback interface with an FM/AM stereo, CD player, and iPod interface. This distracts even the most apprehensive of your patients by allowing them to be in control of their own environment. Additionally, the Auto Gain feature automatically raises and lowers the volume level for the patient based on the Sound Pressure Level of the MRI. Magnacoustics also provides the only patented 8-driver transducer that provides the highest sound directly to the patients ears with the MagnaLink Headset System. This patented system includes a stethoscope-style headset with the MagnaPlug (replaceable earplug) that provides 29dB of attenuation and complies with GE Healthcare MR Safety Guide Operator Manual.</p> <p>The Genesis ULTRA's See-In-the-Dark GUI Electroluminescent Backlit Technologist Control Unit enhances operation in the normally low-lit MRI environment allowing the Technologist to operate the entire system with the touch of a button.</p> <p>The Genesis ULTRA includes an integral interface for fMRI with built-in input for audio stimulation and output for responses...E</p>



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18	1	E8803BE	Physician's Chair with Padded Arms Physician's chair has padded arms for comfort and comes in a charcoal gray color that blends with any environment. Chair adjusts from 16.75 in. to 21 in. (42.5 cm x 53.3cm) and is only for use in the MR Control Room. Weighs 45 lbs.
19	1	W0106MR	TiP Discovery and Optima Family Training 10 Days Onsite Plus 10 Hrs TVA The TiP Training Choices program is designed for CURRENT GE customers WITHOUT HDx experience who purchase a Discovery or Optima system. Training is delivered onsite at the customer's facility and instructs students in start-up operation of the system and introduces participants to the system design, workflow, new options and clinical applications included. Extended TVA support ensures learners maintain performance over the long term. This training program must be scheduled and completed within 36 months after the date of product delivery.
	1		NonProducts
20	1		Rigging magnet from truck to MRI suite

Quote Summary:

Total Quote Net Selling Price

\$1,274,518.83

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)



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Options

(These items are not included in the total quotation amount)

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21	1	M3335LJ	1.5T 8-Channel Wrist Array - Invivo The 8-Channel Wrist Array generates high definition MR wrist images. The one-piece, ovoid hinged design is optimal for small-FOV imaging and provides 12-cm S/I coverage. The coil can be positioned overhead or at the patient's side, vertically or horizontally. The coil is optimized for ASSET imaging to improve acquisition times.	\$18,225.00	X_____
22	1	M3087JF	1.5T 8-Channel Knee Array - Invivo The 1.5T T/R Knee Array is designed for high definition MR imaging of the knee. This array uses unique hybrid technology using separate birdcage coils for transmit and receive functions. Designed uniquely for GE, the 8-element receive coil delivers 30% to 100% more SNR than the standard extremity coil. The array is compatible with PURE for uniform signal intensity and ASSET for accelerated imaging speed.	\$16,362.00	X_____
23	1	M50002GF	1.5T 8-Channel Foot/Ankle Array - GE This 8-channel receive-only phased array coil is designed for high-resolution and high-SNR imaging of the Foot and Ankle without compromising patient comfort.	\$16,200.00	X_____

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)

20/20



General Terms and Conditions

GE Healthcare

These GE Healthcare General Terms and Conditions supplement and incorporate by reference the GE Healthcare Quotation that identifies the Product and/or Service offering purchased or licensed by Customer and the following documents, as applicable, if attached to or referenced in the Quotation: the GE Healthcare (i) Warranty(ies); (ii) Additional Terms and Conditions or Statement of Service Deliverables and Product Schedule; and (iii) Product or Service Terms and Conditions, (collectively, referred to as the "Agreement").

References herein to "Products" and "Services" mean the Products (including equipment and software) and Services identified on the applicable GE Healthcare Quotation. References herein to "Healthcare IT Products" are (i) those software products identified in the Quotation as a "Centricity" product, any third party software licensed for use in connection with the Centricity software, all hardware used to operate the Centricity or the third party software, and services provided with respect to the implementation, installation or support and maintenance of the Centricity or the third party software, and/or (ii) any software, product or service that is included in a Quotation which Quotation is designated as an "Healthcare IT Quotation".

1. General Terms.

1.1. Confidentiality. Each party will treat the terms of this Agreement and the other party's written, proprietary business information as confidential if marked as confidential or proprietary. Customer will treat GE Healthcare's (and GE Healthcare's third party vendors') software and technical information as confidential information whether or not marked as confidential and shall not use or disclose to any third parties any such confidential information except as specifically permitted in this Agreement or as required by law (with reasonable prior notice to GE Healthcare) or as is required by the U.S. Federal government in its capacity as a customer. The receiving party shall have no obligation with respect to any information which (i) is or becomes within the public domain through no act of the receiving party in breach of this Agreement, (ii) was in the possession of the receiving party prior to its disclosure or transfer and the receiving party can so prove, (iii) is independently developed by the receiving party and the receiving party can so prove, or (iv) is received from another source without any restriction on use or disclosure. GE Healthcare understands that Customer may be subject to State Open Records laws. Customer shall not be prohibited from complying with such Open Records laws if required to do so; however, Customer shall (a) promptly notify GE Healthcare in writing of any such Open Records laws requests, (b) give GE Healthcare sufficient time to challenge the request or redact any necessary information to the extent permitted by law, and (c) only provide such information as is necessary to comply with such Open Records laws.

1.2. Governing Law. The law of the State where the Product is installed or the Service is provided will govern this Agreement.

1.3. Force Majeure. Neither party is liable for delays or failures in performance (other than payment obligations) under this Agreement due to a cause beyond its reasonable control. In the event of such delay, the time for performance shall be extended as reasonably necessary to enable performance.

1.4. Assignment; Use of Subcontractors. Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may transfer and assign this Agreement without the other party's consent to any person or entity (except to a GE Healthcare competitor) that is an affiliate of such party or that acquires substantially all of the stock or assets of such party's applicable business if any such assignee agrees, in writing, to be bound by the terms of this Agreement, including the payment of any existing or outstanding fees and invoices. Subject to such limitation, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. This Agreement shall not be terminable in the event of any Customer stock or asset sale, merger, acquisition or change in control, unless otherwise expressly agreed to in writing by GE Healthcare. GE Healthcare may hire subcontractors to perform work under this Agreement (including, but not limited to, work that involves access to Protected Health Information as such term is defined in 45 C.F.R. § 160.103 ("PHI")), provided that GE Healthcare will at all times remain responsible for the performance of its obligations and duties under this Agreement.

1.5. Amendment; Waiver; Survival. This Agreement may be amended only in writing signed by both parties. Any failure to enforce any provision of this Agreement is not a waiver of that provision or of either party's right to later enforce each and every provision. The terms of this Agreement that by their nature are intended to survive its expiration (such as the confidentiality provisions included herein) will continue in full force and effect after its expiration.

1.6. Termination. If either party materially breaches this Agreement and the other party seeks to terminate this Agreement for such breach, such other party shall notify the breaching party in writing, setting out the breach, and the breaching party will have sixty (60) days following receipt of such notice to remedy the breach. If the breaching party fails to remedy the breach during that period, the other party may terminate this Agreement by written notice to the breaching party. If GE Healthcare determines in good faith at any time that there are material credit issues, with this Agreement, then GE Healthcare may terminate this Agreement (including warranty services hereunder) immediately upon written notice to Customer. For the avoidance of doubt, this Agreement is not terminable for convenience and may only be terminated in accordance with this Agreement.

1.7. Entire Agreement and Waiver of Reliance. This Agreement constitutes the complete and final agreement of the parties relating to the Products and/or Services identified in the Quotation. The parties agree that they have not relied, and are not relying, on any oral or written promises, terms, conditions, representations or warranties, express or implied, outside those expressly stated or incorporated by reference in this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing and signed by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless

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agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms, nor the delivery of the Products and/or Services, shall constitute an agreement by either party to any such terms. The parties agree that any provision in this Agreement in 'all caps' type satisfies any requirements at law or in equity that provisions be conspicuously marked.

2. Compliance.

2.1. **Generally.** Each party will comply with the requirements of Federal and State laws and regulations that are applicable to such party. This Agreement is subject to GE Healthcare's on-going determination that Customer and this Agreement comply with all applicable laws and regulations, including those relating to workplace safety, FDA matters, Federal Healthcare Program Anti-kickback compliance, export/import control and money laundering prevention. CUSTOMER ACKNOWLEDGES THAT THE PRODUCTS ARE OR MAY BE SUBJECT TO REGULATION BY THE FDA AND OTHER FEDERAL OR STATE AGENCIES. CUSTOMER SHALL NOT USE OR PERMIT THE PRODUCTS TO BE USED IN ANY MANNER THAT DOES NOT COMPLY WITH APPLICABLE FDA OR OTHER REGULATIONS OR FOR ANY NON-MEDICAL, ENTERTAINMENT, OR AMUSEMENT PURPOSES. Customer shall not use or permit the Product to be used or operated by any person who does not have sufficient knowledge to competently perform the required task and who is not fully trained on the operation of the Product. Customer is solely responsible for ensuring that Customer and its employees, licensed and unlicensed healthcare staff, representatives, agents and/or contractors who operate, maintain and/or have access to the Products and/or Services, excluding GE Healthcare employees, representatives, agents and/or contractors ("Customer Personnel") are properly trained and fully competent on the operation of the Product. Further, Customer represents that it is purchasing the Products for its own use consistent with the terms of this Agreement and that it does not intend to re-sell the Products to any other party or to export the Products outside the country to which GE Healthcare delivers the Products.

2.2. **Cost Reporting.** Customer represents and warrants that it shall comply with (a) the applicable requirements of the Discount Statutory Exception, 42 U.S.C. 1320a-7b(3)(A), and the Discount Safe Harbor, 42 C.F.R. § 1001.952(h), with respect to any discounts Customer may receive under this Agreement and (b) the Warranties Safe Harbor, 42 C.F.R. § 1001.952(g), with respect to any price reductions of an item (including a free item) which were obtained as part of a warranty under this Agreement. Customer agrees that, if Customer is required to report its costs on a cost report, then (i) the discount must be based on purchases of the same good bought within a fiscal year; (ii) Customer must claim the benefit in the fiscal year in which the discount is earned or in the following year; (iii) Customer must fully and accurately report the discount in the applicable cost report; and (iv) Customer must provide, upon request, certain information required to be provided to Customer by GE Healthcare as a seller or offeror, as appropriate. If Customer is an individual or entity in whose name a claim or request for payment is submitted for the discounted items, the discount must be made at the time of the sale of the good; and Customer must provide, upon request, certain information required to be provided to Customer by GE Healthcare as a seller or offeror, as appropriate. GE Healthcare agrees to comply with the applicable requirements for sellers or offerors under the Discount Safe Harbor, as appropriate.

2.3. **Network Security and Site Access Control.** Customer shall be solely responsible for establishing and maintaining network security, virus protection, backup and disaster recovery plans for any data, images, software or equipment. GE Healthcare shall not be responsible for any recovery of lost data or images. Customer shall comply with all applicable laws and regulations related to site access control.

2.4. **Environmental Health and Safety.** GE Healthcare shall have no obligation to provide Products and/or perform Services until Customer (i) provides and maintains a suitable, safe and hazard-free location and environment for the GE Healthcare Products and personnel performing Services in material compliance with all applicable Federal, State, and local requirements, as well as any written requirements provided by GE Healthcare; (ii) performs GE Healthcare recommended routine maintenance and operator adjustments on the Product; and (iii) ensures that any service not provided by GE Healthcare is performed, and GE Healthcare Products are used, in accordance with applicable user documentation.

Customer shall provide written information to GE Healthcare personnel who will be present on Customer's site about Customer's safety procedures and practices as well as a list of any hazardous materials, such as asbestos, lead or mercury, on or near Customer's site that GE Healthcare personnel may come in contact with and any associated Safety Data Sheets. Customer shall be responsible for taking all necessary actions to properly abate, remove and/or remediate any hazardous conditions or materials, including removing blood, body fluids and other potentially infectious materials. GE Healthcare shall have no responsibility to abate, or liability for, any existing hazardous conditions at Customer site. Customer shall be responsible for proper management, storage and disposal of all service and/or installation-related waste, unless GE Healthcare is legally required to take back the materials (e.g., batteries, WEEE, packaging).

2.5. **Parts Not Supplied By GE Healthcare.** GE Healthcare recommends the use of parts that it has (i) validated through configuration and (ii) received from authorized suppliers. GE Healthcare is not responsible for the quality of parts supplied by third parties to Customer. GE Healthcare cannot assure Product functionality or performance when non-GE Healthcare parts are used on the Product.

2.6. **Training.** Any Product training identified in the Quotation shall be in accordance with GE Healthcare's then-current training offerings and terms. Customer agrees that completion of GE Healthcare's training offerings does not guarantee that Customer and Customer Personnel are fully and completely trained on the use, maintenance, and operation of the Product or that completion of GE Healthcare's training will satisfy any licensure and/or accreditation standards. Customer further agrees that it is Customer's sole and non-delegable duty to ensure that Customer and Customer Personnel are properly trained on and fully qualified in the use and operation of the Product. Unless otherwise stated in the training catalog description, training must be completed by Customer within twelve (12) months after (i) the date of Product delivery for training purchased with Products; (ii) the start date for Services for training purchased with Services; or (iii) the date Customer purchases training if such training is not purchased with Products and/or Services. If training is not completed within the applicable time period due to no fault of GE Healthcare, GE Healthcare's obligation to provide the training will expire without refund.

2.7. **Medical Diagnosis and Treatment.** All clinical and medical treatment and/or diagnostic decisions are the sole responsibility of Customer and Customer Personnel. Customer agrees that GE Healthcare is in no way responsible for the clinical and medical treatment and/or diagnostic decisions made by Customer and Customer Personnel.

2.8. Use of Data.

(a) **Protected Health Information.** To the extent GE Healthcare creates, receives, maintains, transmits or otherwise has access to any PHI in the course of performing under this Agreement, GE Healthcare shall only use and disclose such PHI as permitted by the administrative simplification section of the Health Insurance Portability and Accountability Act of 1996, Pub. Law 104-191 (August 21, 1996), its implementing regulations, and the Health Information Technology for Economic and Clinical Health ("HITECH") Act and its implementing regulations (collectively, "HIPAA"), and the applicable Business Associate Agreement between the Parties.

(b) **Other Information.** Customer agrees that GE Healthcare may also create, receive, maintain, transmit and otherwise have access to machine, technical, system, usage and related information that is not PHI, including, but not limited to, information about Customer's Product, Service, system and software, that is gathered periodically to facilitate the provision of Product support, consulting, training and other services to Customer (if any), and to verify compliance with the terms of this Agreement. GE Healthcare or its agents may use such information to provide, develop or improve GE Healthcare's products or services.

2.9. Compliance with Customer Policies. GE Healthcare will use commercially reasonable efforts to respect Customer policies to the extent that such policies apply to GE Healthcare under this Agreement, and do not materially contradict GE Healthcare policies, provided that Customer furnishes to GE Healthcare a complete copy of said policies prior to GE Healthcare's commencement of performance under this Agreement. Under no circumstances, however, will GE Healthcare's failure, or the failure of GE Healthcare's employees or contractors, to respect Customer policies constitute a material breach by GE Healthcare under this Agreement, unless such failure is willful and materially and adversely affects GE Healthcare's ability to perform its obligations under this Agreement.

2.10. Insurance. GE Healthcare shall maintain insurance coverage in accordance with its standard certificate of insurance, a copy of which is available upon Customer's request.

2.11. Excluded Provider. GE Healthcare represents that, to its knowledge, neither it nor its employees performing services under this Agreement have been excluded from participation in any Federal Healthcare Program. In the event an employee performing services under this Agreement is excluded, GE Healthcare will replace such employee within a commercially reasonable time. In the event GE Healthcare is excluded, Customer may terminate this Agreement upon written notice to GE Healthcare.

3. Disputes; Liability; and Indemnity.

3.1. Waiver of Jury Trial. UNLESS OTHERWISE EXPRESSLY PROHIBITED BY APPLICABLE LAW, EACH PARTY EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AGREEMENT.

3.2. Limitation of Liability. GE HEALTHCARE'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY FOR ANY DIRECT DAMAGES INCURRED BY CUSTOMER FROM ANY CAUSE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN AN ACTION IN CONTRACT, TORT, PRODUCT LIABILITY, STATUTE, EQUITY OR OTHERWISE, ARISING UNDER THIS AGREEMENT OR RELATED HERETO, SHALL NOT EXCEED: (A) FOR PRODUCTS OR SERVICES, OTHER THAN SERVICES UNDER AN ANNUAL SERVICE CONTRACT, THE PRICE FOR THE PRODUCT OR SERVICE THAT IS THE BASIS FOR THE CLAIM; OR (B) FOR ANNUAL SERVICE CONTRACTS, THE ANNUAL CONTRACT PRICE FOR THE SERVICE THAT IS THE BASIS FOR THE CLAIM. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO GE HEALTHCARE'S DUTIES TO INDEMNIFY CUSTOMER IN ACCORDANCE WITH THIS AGREEMENT. THE LIMITATION OF LIABILITY SHALL APPLY EVEN IF THE LIMITED REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.

3.3. Exclusion of Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT (OR OTHERWISE IN CONNECTION WITH THE PRODUCTS AND SERVICES) FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR LOSS OF PROFITS, REVENUE, TIME, OPPORTUNITY OR DATA, WHETHER IN AN ACTION IN CONTRACT, TORT, PRODUCT LIABILITY, STATUTE, EQUITY OR OTHERWISE. THE EXCLUSION OF DAMAGES SHALL APPLY EVEN IF THE LIMITED REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.

3.4. IP Indemnification. GE HEALTHCARE WILL DEFEND, INDEMNIFY AND HOLD HARMLESS CUSTOMER FROM ANY THIRD PARTY CLAIMS FOR INFRINGEMENT OF UNITED STATES INTELLECTUAL PROPERTY RIGHTS ARISING FROM CUSTOMER'S USE OF GE HEALTHCARE MANUFACTURED EQUIPMENT AND/OR GE HEALTHCARE PROPRIETARY SOFTWARE LISTED IN THE QUOTATION (COLLECTIVELY, "INFRINGING PRODUCT") IN ACCORDANCE WITH THEIR SPECIFICATIONS AND WITHIN THE LICENSE SCOPE GRANTED IN THIS AGREEMENT. IF ANY SUCH CLAIM MATERIALLY INTERFERES WITH CUSTOMER'S USE OF SUCH EQUIPMENT AND/OR SOFTWARE, GE HEALTHCARE SHALL, AT ITS OPTION: (I) SUBSTITUTE FUNCTIONALLY EQUIVALENT NON-INFRINGING PRODUCTS; (II) MODIFY THE INFRINGING PRODUCT SO THAT IT NO LONGER INFRINGES BUT REMAINS FUNCTIONALLY EQUIVALENT; (III) OBTAIN FOR CUSTOMER AT GE HEALTHCARE'S EXPENSE THE RIGHT TO CONTINUE TO USE THE INFRINGING PRODUCT; OR (IV) IF THE FOREGOING ARE NOT COMMERCIALY REASONABLE, REFUND TO CUSTOMER THE PURCHASE PRICE, AS DEPRECIATED (BASED ON FIVE (5) YEAR STRAIGHT-LINE DEPRECIATION), FOR THE INFRINGING PRODUCT. ANY SUCH CLAIMS ARISING FROM CUSTOMER'S USE OF SUCH INFRINGING PRODUCT AFTER GE HEALTHCARE HAS NOTIFIED CUSTOMER TO DISCONTINUE USE OF SUCH INFRINGING PRODUCT AND OFFERED ONE OF THE REMEDIES SET FORTH IN CLAUSES (I) THROUGH (IV) ABOVE ARE THE SOLE RESPONSIBILITY OF CUSTOMER. THIS SECTION REPRESENTS CUSTOMER'S SOLE AND EXCLUSIVE REMEDY (AND GE HEALTHCARE'S SOLE AND EXCLUSIVE LIABILITY) REGARDING ANY INFRINGEMENT CLAIM ASSOCIATED WITH SUCH INFRINGING PRODUCT. THE ABOVE INDEMNIFICATION OBLIGATION IS CONDITIONAL UPON CUSTOMER PROVIDING GE HEALTHCARE PROMPT WRITTEN NOTICE OF THE INFRINGEMENT CLAIM AFTER RECEIVING NOTICE OF SUCH CLAIM, ALLOWING GE HEALTHCARE TO CONTROL THE DEFENSE OF SUCH CLAIM, AND REASONABLY COOPERATING WITH GE HEALTHCARE IN SUCH DEFENSE. GE HEALTHCARE'S RIGHT TO CONTROL THE DEFENSE AND DISPOSITION OF THE INFRINGEMENT CLAIM SHALL INCLUDE THE RIGHT TO SELECT COUNSEL TO REPRESENT CUSTOMER AT GE HEALTHCARE'S EXPENSE; PROVIDED, HOWEVER, THAT CUSTOMER MAY RETAIN ADDITIONAL COUNSEL AT CUSTOMER'S EXPENSE. ANY EXPENSES, INCLUDING LEGAL FEES AND COSTS, INCURRED BY CUSTOMER PRIOR TO TENDERING CONTROL OF THE DEFENSE TO GE HEALTHCARE SHALL NOT BE REIMBURSABLE BY GE HEALTHCARE. NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, GE HEALTHCARE SHALL NOT HAVE ANY OBLIGATION TO CUSTOMER HEREUNDER FOR INFRINGEMENT CLAIMS BASED ON OR RESULTING FROM: (A) USE OF SUCH INFRINGING PRODUCT IN COMBINATION WITH ANY COMPUTER SOFTWARE, TOOLS, HARDWARE, EQUIPMENT, MATERIALS, OR SERVICES, NOT FURNISHED OR AUTHORIZED IN WRITING FOR USE BY GE HEALTHCARE; (B) USE OF SUCH INFRINGING PRODUCT IN A MANNER OR ENVIRONMENT OR FOR ANY PURPOSE FOR WHICH GE HEALTHCARE DID NOT DESIGN OR LICENSE IT, OR IN VIOLATION OF GE HEALTHCARE'S USE INSTRUCTIONS; OR (C) ANY MODIFICATION OF SUCH INFRINGING PRODUCT BY CUSTOMER OR ANY THIRD PARTY. GE HEALTHCARE SHALL NOT BE RESPONSIBLE FOR ANY COMPROMISE OR SETTLEMENT OR

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CLAIM MADE BY CUSTOMER WITHOUT GE HEALTHCARE'S WRITTEN CONSENT. THIS INDEMNIFICATION OBLIGATION IS EXPRESSLY LIMITED TO THE GE HEALTHCARE MANUFACTURED EQUIPMENT AND/OR GE HEALTHCARE PROPRIETARY SOFTWARE LISTED IN THE QUOTATION.

3.5. General Indemnification. GE HEALTHCARE AGREES TO RELEASE, INDEMNIFY AND HOLD CUSTOMER HARMLESS FOR ANY THIRD PARTY DAMAGES CUSTOMER BECOMES LEGALLY OBLIGATED TO PAY RELATED TO BODILY INJURY OR DAMAGE TO REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY TO THE EXTENT THAT SUCH DAMAGES ARE DETERMINED TO BE PROXIMATELY CAUSED BY A MANUFACTURING DEFECT, DESIGN DEFECT, NEGLIGENT FAILURE TO WARN, NEGLIGENT INSTALLATION, OR NEGLIGENT SERVICE WITH RESPECT TO PRODUCTS DESIGNED AND MANUFACTURED BY GE HEALTHCARE AND SUPPLIED TO CUSTOMER UNDER THIS AGREEMENT. GE HEALTHCARE SHALL HAVE NO OBLIGATION TO RELEASE, INDEMNIFY AND HOLD CUSTOMER HARMLESS FOR ANY DAMAGES CAUSED BY (I) CUSTOMER'S FAULT OR ANY LEGAL EXPENSES INCURRED BY CUSTOMER IN DEFENDING ITSELF AGAINST SUITS SEEKING DAMAGES CAUSED BY CUSTOMER'S FAULT AND/OR (II) ANY MODIFICATION, CHANGES AND/OR ALTERATIONS TO THE GE HEALTHCARE PRODUCT BY CUSTOMER OR A THIRD PARTY NOT AUTHORIZED OR APPROVED IN WRITING BY GE HEALTHCARE.

CUSTOMER AGREES TO RELEASE, INDEMNIFY AND HOLD GE HEALTHCARE HARMLESS FROM ANY THIRD PARTY DAMAGES THAT GE HEALTHCARE BECOMES LEGALLY OBLIGATED TO PAY RELATED TO BODILY INJURY OR DAMAGE TO REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY TO THE EXTENT THAT SUCH DAMAGES ARE DETERMINED TO BE PROXIMATELY CAUSED BY CUSTOMER'S AND/OR CUSTOMER PERSONNEL (I) MEDICAL DIAGNOSIS OR TREATMENT DECISIONS; (II) MISUSE OR NEGLIGENT USE OF THE PRODUCT; AND/OR (III) USE OF THE PRODUCT IN A MANNER OR ENVIRONMENT, OR FOR ANY PURPOSE, FOR WHICH GE HEALTHCARE DID NOT DESIGN IT, OR IN VIOLATION OF GE HEALTHCARE'S RECOMMENDATIONS OR INSTRUCTIONS ON USE.

THE INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS SECTION 3.5 ARE CONDITIONAL UPON THE INDEMNIFIED PARTY PROVIDING THE INDEMNIFYING PARTY PROMPT WRITTEN NOTICE OF THE THIRD-PARTY CLAIM AFTER RECEIPT OF NOTICE OF SUCH CLAIM, ALLOWING THE INDEMNIFYING PARTY TO CONTROL THE DEFENSE AND DISPOSITION OF SUCH CLAIM, AND REASONABLY COOPERATING WITH THE INDEMNIFYING PARTY IN THE DEFENSE. THE INDEMNIFYING PARTY SHALL NOT BE RESPONSIBLE FOR ANY COMPROMISE MADE BY THE INDEMNIFIED PARTY OR ITS AGENTS WITHOUT THE INDEMNIFYING PARTY'S CONSENT.

4. Payment and Finance.

4.1. Generally. The payment and billing terms for the Product(s) and/or Service(s) are stated in the Quotation.

4.2. Late Payment. Failure to make timely payment is a material breach of this Agreement, for which (in addition to other available remedies) GE Healthcare may suspend performance under the GE Healthcare agreement at issue or suspend the provision of support and maintenance or licenses for the Product(s) licensed or sold under that agreement until all past due amounts are brought current. If GE Healthcare so suspends, GE Healthcare will not be responsible for the completion of planned maintenance due to be performed during the suspension period and any product downtime will not be included in the calculation of any uptime commitment. Interest shall accrue on past-due amounts at a rate equal to the lesser of one-and-one-half percent (1.5%) per month or the maximum rate permitted by applicable law. Customer will reimburse GE Healthcare for reasonable costs (including attorneys' fees) relating to collection of past due amounts. Any credits and/or unapplied cash that may be due to Customer under an agreement may be applied first to any outstanding balance. If Customer has a good faith dispute regarding payment for a particular Product (or subsystem thereof) or Service, Customer shall notify GE Healthcare in writing of such dispute within twenty (20) days of the invoice date and shall work with GE Healthcare in good faith to promptly resolve such dispute. GE Healthcare may revoke credit extended to Customer and designate Customer and all agreements with Customer to be on credit hold because of Customer's failure to pay for any Products or Services when due, and in such event all subsequent shipments and Services shall be paid in full on receipt.

4.3. Taxes. Prices do not include sales, use, gross receipts, excise, valued-added, services, or any similar transaction or consumption taxes ("Taxes"). Customer shall be responsible for the payment of any such Taxes to GE Healthcare unless it otherwise timely provides GE Healthcare with a valid exemption certificate or direct pay permit. In the event GE Healthcare is assessed Taxes, interest or penalty by any taxing authority, Customer shall reimburse GE Healthcare for any such Taxes, including any interest or penalty assessed thereon. Each party is responsible for any personal property or real estate taxes on property that the party owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts.

5. Loaner Systems. If GE Healthcare provides a loaner system ("Loaner") to Customer pursuant to the terms of this Agreement, such Loaner shall be subject to the following provisions: (i) the Loaner shall be for Customer's temporary use, and Customer agrees to keep the Loaner at the location identified in the Quotation, and shall not move the Loaner to another location without GE Healthcare's prior written consent; (ii) Customer agrees to return the Loaner to GE Healthcare on or before the date on which GE Healthcare returns Customer's Product to Customer, and if Customer does not return the Loaner within such time period, GE Healthcare may repossess the Loaner with ten (10) days prior written notice or invoice Customer for the full list price of the Loaner; (iii) the Loaner, and all programs, information, data, business information, or other information pertaining to such Loaner shall remain GE Healthcare property; (iv) title remains with GE Healthcare, but risk of loss passes to Customer upon delivery of the Loaner; (v) Customer agrees to maintain the Loaner in proper operating condition and in accordance with GE Healthcare's operating instructions and return it to GE Healthcare in this condition, normal wear and tear excepted; (vi) Customer will not repair, or permit others to repair, the Loaner without the prior written consent of GE Healthcare; (vii) Customer agrees to furnish GE Healthcare reasonable access to the Loaner with prior notification; (viii) as Customer does not own the Loaner and is not paying GE Healthcare for its use, it is Customer's responsibility to ensure that any charge or claim submitted by Customer to a government healthcare program or patient is submitted accordingly; (ix) prior to returning the Loaner to GE Healthcare, Customer shall ensure the complete deletion of any and all information, including PHI, that may have been stored in the Loaner, or any of its accessories; (x) such deletion shall be completed in accordance with any user instructions provided by GE Healthcare and/or industry standards; (xi) in the event Customer is unable for technical reasons to complete the deletion, Customer shall provide immediate notice of this to GE Healthcare, and GE Healthcare staff shall use commercially reasonable efforts to facilitate the deletion of information; (xii) Customer agrees to indemnify GE Healthcare for any loss whatsoever resulting from any information that is not removed from the Loaner and GE Healthcare shall have no obligations whatsoever in connection with any information that is not properly removed from such Loaner by Customer. It is within GE Healthcare's sole discretion to provide Customer with a Loaner while warranty or Service repairs are ongoing. This provision is not applicable to GE Healthcare IT Products.



Product Terms and Conditions

GE Healthcare

These GE Healthcare Product Terms and Conditions supplement and incorporate by reference (i) the GE Healthcare Quotation that identifies the Product offering purchased or licensed by Customer; (ii) the following documents, as applicable, if attached to or referenced in the Quotation: the GE Healthcare (a) Warranty(ies) and (b) Additional Terms and Conditions; and (iii) the GE Healthcare General Terms and Conditions, (collectively, referred to as the "Agreement").

1. Commercial Logistics.

1.1. Order Cancellation and Modifications.

1.1.1. Cancellation and Payments. If Customer cancels an order at any time without GE Healthcare's prior written consent, GE Healthcare has the right to charge Customer a cancellation fee of up to one-and-one-half percent (1.5%), with a maximum amount of up to \$5,000, of the price of the Products ordered. If the cancellation occurs less than thirty (30) days prior to the scheduled delivery date of any portion of the order, GE Healthcare has the right to charge Customer a cancellation fee of up to ten percent (10%), with a maximum amount of up to \$50,000, of the price of the Products ordered. GE Healthcare will retain as a credit any payments received up to the amount of the cancellation charge. If Customer cancels an order for Products for which GE Healthcare has provided site evaluation services, Customer will also pay GE Healthcare reasonable charges for such services performed prior to cancellation. If applicable for the order, Customer will pay all progress payments (other than the final payment) prior to final Product calibration, and GE Healthcare may, at its option, delay final calibration until required progress payments are received. If Customer fails to schedule a delivery date with GE Healthcare within six (6) months after order entry, GE Healthcare may cancel Customer's order upon written notice to Customer. For the avoidance of doubt, GE Healthcare IT Product Quotations and orders are non-cancellable.

1.1.2. Order Modifications. No modifications may be made to an order without GE Healthcare's prior written consent. The Product configuration listed in the Quotation is based upon information furnished to GE Healthcare by Customer, and Customer is responsible to provide and pay for modifications, if any, to the configuration due to inaccuracies or incompleteness of the information furnished to GE Healthcare by Customer, changes in Customer's needs or requirements, or for other reasons attributable to Customer.

1.1.3. Exchanges and Substitutions. Prior to acceptance as defined in [Section 1.5](#) below, GE Healthcare may, in its sole and reasonable discretion, exchange or substitute installation-related items having similar features, functionality and pricing as the originally delivered installation item that result in no price change to the Customer. This section shall not apply to Healthcare IT Products.

1.1.4. Used Product Orders. Products identified as pre-owned, refurbished, remanufactured or demonstration Products have been previously used ("Used Products"); they are not new. When delivered and/or released to Customer, such Used Products may have received reconditioning, as necessary, to meet GE Healthcare performance specifications. Since Used Products may be offered simultaneously to several customers, their sale to Customer is subject to their availability. If the Used Products are no longer available, (i) GE Healthcare will attempt to identify other Used Products in its inventory that meet Customer's needs, and (ii) if substitute Used Products are not acceptable to Customer, GE Healthcare will cancel the order and refund any deposit Customer has paid for such Used Products.

1.2. Site Preparation. If applicable, Customer will be responsible, at its sole expense, for evaluating and preparing the site where the Products will be installed in accordance with GE Healthcare's site preparation requirements and applicable laws. Customer must provide GE Healthcare with prompt written notice if Customer is unable to prepare the site before the mutually agreed installation date. Upon receipt of such notice, GE Healthcare will reschedule the installation to a mutually agreed date. Customer shall be liable for any costs or expenses GE Healthcare or its representatives incur resulting from Customer's failure to provide GE Healthcare with timely notice of Customer's failure to properly prepare the site. GE Healthcare may, in its discretion, delay delivery or installation if GE Healthcare determines that the site has not been properly prepared or there are any other impediments to installation; provided that GE Healthcare gives Customer written notice of such delay stating the reasons therefor. If GE Healthcare provides site evaluation services, such services are intended only to assist Customer in fulfilling Customer's responsibility to ensure that the site complies with GE Healthcare's applicable site preparation requirements.

1.3. Transportation, Title and Risk of Loss; Delivery; Returns.

1.3.1. Transportation, Title and Risk of Loss. Unless otherwise indicated in the Quotation, shipping terms are FOB Destination. Title and risk of loss to equipment passes to Customer upon delivery to Customer's designated delivery location. Software is licensed to Customer; no title to or other ownership interest in such software passes to Customer.

1.3.2. Delivery. When feasible, GE Healthcare reserves the right to make delivery in installments. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. At the time of such delivery, Customer will pay GE Healthcare for any amounts due upon delivery. As a matter of convenience, GE Healthcare may invoice multiple installment deliveries on a consolidated basis; however, this does not release Customer from the obligation to pay for each installment delivery provided by GE Healthcare. Delivery dates are approximate. For GE Healthcare software or documentation, delivery means the first to occur of: (i) communication to Customer through electronic means that allows Customer to take possession of the first copy or product master or (ii) delivery to Customer's designated delivery location.

1.3.3. Product Returns. Customer shall not have any right to return Products for a refund after delivery except for products shipped in error that are different from the Products listed in the Quotation.

1.3.4. Replaced Component Returns. Except for Healthcare IT Products, for upgrades and revisions Customer agrees to return any replaced component to GE Healthcare at no charge to GE Healthcare.

1.4. Installation, Certification and Professional Services. GE Healthcare will provide Product assembly, installation and calibration, as required, at no additional charge, except (i) for items excluded herein and/or (ii) as otherwise indicated in the Quotation. If installation services are identified in the Quotation, GE Healthcare will perform such services from 8am to 5pm local time, Monday-Friday, excluding GE Healthcare holidays, in accordance with applicable GE Healthcare installation guides and/or project plans. After hours installation is available for an additional fee. Customer will review the applicable GE Healthcare installation guides and/or project plans, and perform Customer's obligations as set forth in those materials. Upon completion of assembly, installation and calibration of the Products, as applicable, GE Healthcare will perform prescribed tests using its own performance specifications, instruments and procedures to verify that the Products meet GE Healthcare's applicable performance specifications.

1.4.1. Customer-Supplied Items.

- Customer will install necessary system cable and assemble any necessary equipment or hardware not provided by GE Healthcare, unless agreed otherwise in writing by the parties.
- For Products that will be operated on or in connection with Customer supplied hardware or software, Customer is responsible for ensuring that such hardware and software conform to GE Healthcare's minimum hardware and software requirements as made available to Customer.
- Unless GE Healthcare has agreed in writing to maintain responsibility for an applicable service, Customer will be responsible for enabling the connectivity and interoperability between Customer-supplied hardware or software or other systems or devices and the Product, including, without limitation, procuring and installing any modifications, interfaces or upgrades consistent with GE Healthcare's written specifications.
- Unless otherwise agreed in writing by GE Healthcare, Customer is solely responsible for the (i) performance of and payment for any applicable rigging and/or facility costs and (ii) installation of accessory items.
- If applicable for the Product, electrical wiring and outlets, computer network infrastructure, conduit, cabinetry modification, wall mounts, ventilation and any other site preparation are not included in the purchase price and are the responsibility of Customer, unless otherwise agreed in writing by GE Healthcare.

1.4.2. Network. Unless Customer has elected to purchase network preparation and certification Services from GE Healthcare as set forth in the Quotation, Customer is solely responsible for ensuring that Customer's network is adequate for the proper operation and performance of the Products and otherwise meets GE Healthcare's written network configuration requirements.

1.4.3. License, Permits, and Approvals. Customer shall obtain and maintain all licenses, permits and other approvals necessary for installation, use and disposal/recycling of the Products, including, but not limited to, any government licenses required to use radioactive sources for Products that require the use of such sources. GE Healthcare will ship such sources to Customer only after Customer provides GE Healthcare with satisfactory evidence that Customer has obtained all required licenses for such sources. In addition, Customer will provide all radioactive sources for calibration and performance checks of Products that require the use of such sources. GE Healthcare will file any required Federal and State reports relating to its installation activities. GE Healthcare will not install, test, certify or provide its own software license or warranty for Products that are not listed in its on-line catalog or price pages at the time of sale (such Products are normally identified by NL or NW series numbers), unless otherwise agreed in writing by GE Healthcare.

1.4.4. Non-GE Healthcare Labor. If local labor conditions make it impractical to, or GE Healthcare is directed not to, use GE Healthcare's employees or pre-qualified contractors for the installation, all work will be performed by Customer's laborers or outside labor at Customer's expense; provided that GE Healthcare will, at Customer's request, furnish guidance for installation. GE Healthcare is not responsible for the quality or adequacy of any work performed by any party other than GE Healthcare or its pre-qualified contractors.

1.4.5. Non-GE Healthcare Installation. For Products that GE Healthcare is obligated to install under the terms of this Agreement, if GE Healthcare delivers the Product but fails to perform its installation obligations, then in such event Customer shall nevertheless be obligated to pay GE Healthcare an amount equal to (a) the Product purchase price set forth in the Quotation, if the Product purchase price and the installation Services price are shown as separate line items in the Quotation, or (b) if the Product purchase price and installation Services price are not shown as separate line items in the Quotation, then the Product purchase price less the fair market value of the applicable installation Services, taking into account the type of Product and level of installation required ("Installation Service FMV"). An independent third party shall determine the Installation Service FMV. Notwithstanding any other provision of this Agreement to the contrary, either the discharge of Customer's obligation to pay for installation Services shown as a separate line item(s) in the Quotation or the deduction of the Installation Service FMV, as applicable, shall be Customer's sole and exclusive remedy (and GE Healthcare's sole and exclusive liability) in the event GE Healthcare fails to perform its installation obligations under this Agreement.

1.4.6. Information Technology Professional Services ("ITPS"). ITPS must be performed within twelve (12) months of the later of the date (i) Customer orders ITPS or (ii) of Product delivery, ("ITPS Performance Date"). If ITPS is not performed within twelve (12) months of the ITPS Performance Date for reasons other than GE Healthcare's failure to perform, GE Healthcare's ITPS performance obligation will expire without refund. ITPS includes clinical applications training, project management, HL7/HIS systems integration, database conversion, network design and integration and separately cataloged software installations. This section shall not apply to Healthcare IT Products.

1.5. Acceptance. Unless expressly provided otherwise in this Agreement, Customer shall be deemed to have accepted a Product delivered by GE Healthcare under this Agreement on the earlier of: (i) if GE Healthcare installs the Product, five (5) days after GE Healthcare notifies Customer that it has completed assembly and the Product is operating substantially in accordance with GE Healthcare's published performance specifications; (ii) if GE Healthcare does not install the Product, five (5) days after delivery of the Product to Customer; or (iii) the date Customer first uses the Product for patient use.

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1.6. Warranties. Product warranties (if applicable) are set forth in the GE Healthcare warranty forms delivered with the Quotation. GE Healthcare may use refurbished parts in new Products. Any part for which GE Healthcare has supplied a replacement (excluding biomed parts, which shall be properly disposed of by Customer) shall become GE Healthcare property.

1.7. Third Party Products and Services. If GE Healthcare has agreed to provide any third party products and/or services (other than GE Healthcare accessories and supplies) to Customer as part of the Quotation, including but not limited to any Commitment Account/Non-Inventory items, (i) GE Healthcare is acquiring such products and/or services on Customer's behalf and not as a supplier of such products and/or services, (ii) GE Healthcare provides no warranties or indemnification of any kind, express or implied, with respect to such products and/or services (warranties or indemnification, if any, on such products and/or services will be provided by the manufacturer or service provider), (iii) Customer is solely responsible for ensuring that the acquisition and use of such products and/or services is in compliance with applicable laws and regulations, including applicable FDA regulations, and (iv) Customer is solely responsible for any and all claims resulting from or related to the acquisition or use of such products and/or services. This section shall not apply to Healthcare IT Products.

2. Software License.

2.1. License Grant. GE Healthcare grants to Customer a non-exclusive, non-transferable license to use for Customer's internal business purposes the GE Healthcare software, third-party software and Documentation solely for use on the Products and at the location (or, for mobile systems, in the specific vehicle) as identified in the Quotation, subject to the license scope and Documentation and other restrictions set forth in this Agreement. "Documentation" means the GE Healthcare user manuals, on-line help functions, technical specifications and user instructions regarding the operation, installation and use of the software as made available by GE Healthcare to Customer under this Agreement. Customer may only use third-party software provided by GE Healthcare together with the GE Healthcare software and will comply with all third-party software license terms included in any click or shrink wrap license or of which GE Healthcare otherwise makes Customer aware. To the extent permitted by applicable law, licensors of third-party software shall be third-party beneficiaries of this Agreement with respect to third-party software sublicensed under this Agreement. Customer may permit its employees, agents, independent contractors and healthcare providers with privileges at Customer's facilities to use the software and Documentation; provided, however, that Customer shall be responsible for any acts of such third parties that are inconsistent with this Agreement. Notwithstanding the foregoing, independent contractors that supply products comparable to the software shall be provided access to the software only with GE Healthcare's prior written consent and subject to any conditions GE Healthcare deems appropriate to protect its confidential and proprietary information. Customer acknowledges that GE Healthcare may request Customer and Customer Personnel to register online as a licensee for receipt of certain service software and related Documentation.

2.2. Additional License Terms. Without GE Healthcare's prior written consent, Customer may not: (i) copy, sublicense, distribute, rent, lease, loan, resell, modify or translate the software or create derivative works based thereon, except that to the extent applicable, the software may be configured as specifically permitted in the Documentation; (ii) directly or indirectly decompile, disassemble, reverse engineer or otherwise attempt to learn the source code, structure, algorithms or ideas underlying the software; (iii) provide service bureau, time share or subscription services based on the software; (iv) remove, obscure or modify any markings, labels or any notice of the proprietary rights, including copyright, patent and trademark notices of GE Healthcare or its licensors; (v) electronically transfer the software outside Customer's intranet or network dedicated for the software, unless otherwise authorized in writing by GE Healthcare; or (vi) publicly release the results of any testing or benchmarking of the software without the prior written consent of GE Healthcare. Customer may transfer authorized copies of the software, and Documentation to a party that purchases or otherwise acquires the equipment and accepts any applicable license terms, except for software and Documentation that are (a) not a part of the base system standard operating software or Documentation for the equipment and (b) generally provided by GE Healthcare to its customers for a separate fee or charge. Advanced service software is subject to a separate fee and eligibility criteria and licensed under a separate agreement with GE Healthcare.

2.3. Backups. Customer may make a reasonable number of copies of the software in machine-readable form solely for backup, training, testing or archival purposes, so long as applicable license fees are paid. Customer shall reproduce on any such copy the copyright notice and any other proprietary legends that were on the original copy. GE Healthcare and its licensors, as applicable, retain all ownership and intellectual property rights to the software and Documentation. If Customer acquires any rights to the software or Documentation, Customer hereby assigns all of those rights to GE Healthcare or its licensors, as applicable. No license rights are granted (whether by implied license or otherwise), to Customer, except as specifically provided in this section.

2.4. Remedies. Customer agrees that a violation of GE Healthcare's license, confidentiality or intellectual property rights will cause irreparable harm to GE Healthcare for which the award of money damages alone are inadequate. In the event of any breach of this provision, GE Healthcare shall be entitled to seek injunctive relief in addition to immediately terminating the license granted herein and requiring that Customer cease use of the software and return all copies of stand-alone software in any media in addition to seeking any other legal or equitable remedies available to GE Healthcare. This paragraph shall survive the termination of this Agreement.

3. Payment and Finance.

3.1. Security Interest. Customer grants GE Healthcare a purchase money security interest in all items of hardware or equipment listed in the Quotation until full payment is received, and Customer shall perform all acts and execute all documents as may be necessary to perfect GE Healthcare's security interest.

3.2. Leases. If Customer is acquiring use of Products through an equipment lease ("Lease") with an equipment lessor ("Lessor"), certain provisions of this Agreement (including, but not limited to, terms related to payment, title transfer, warranties, and software licenses) may be modified as agreed to in writing between GE Healthcare, the applicable Lessor, and/or Customer, as the case may be. Acceptance of the Products as between GE Healthcare and Lessor will be defined by this Agreement; acceptance of the Products as between Lessor and Customer will be defined by the lease agreement. Notwithstanding the foregoing, if the Lessor does not comply with the terms of this Agreement, Customer shall continue to be responsible for the payment obligations hereunder.

3.3. Failure to Pay. If, after Product delivery, Customer does not make any payments for the Products within forty-five (45) days after such payments are due, GE Healthcare may, upon ten (10) days prior written notice to Customer, either (a) enter upon Customer's site and remove the Products or (b) temporarily disable the Products so that they are not operational.



Additional Terms and Conditions: Magnetic Resonance ("MR")

GE Healthcare

These GE Healthcare Additional Terms and Conditions: Magnetic Resonance ("MR") supplement and incorporate by reference the GE Healthcare (i) Quotation that identifies the Product offering purchased or licensed by Customer; (ii) Warranty(ies); (iii) Product Terms and Conditions; and (iv) General Terms and Conditions, (collectively, referred to as the "Agreement").

1. Mobile Systems Only. For Products that are approved by GE Healthcare for use as transportable, relocatable and mobile systems, GE Healthcare will deliver the system to Customer's van manufacturer and furnish final assembly services to place the system in Customer's van. At the time of order, Customer must notify GE Healthcare of the van manufacturer to which the system is to be shipped. It is Customer's responsibility to make arrangements with the van manufacturer for delivery of the van and to comply with any additional planning requirements of the van manufacturer. For MR systems, GE Healthcare's product tests will be performed when assembly in the van is completed and MR system operation will be re-checked when the van is delivered to Customer.

2. MR Systems. Customer will provide a site and surroundings suitable for installation and operation of an MR system producing strong magnetic and electric fields, and Customer will be required to provide a water chiller meeting GE Healthcare specifications. Customer acknowledges that the magnetic fields of MR systems attract ferro-magnetic articles and are capable of rapidly accelerating such articles toward the magnet, creating corresponding physical danger to persons in the vicinity and possible damage to such systems. In addition, the magnetic and radio frequency fields of such systems may adversely affect the operation of pacemakers, equipment containing magnetic reed switches, and aneurysm or surgical clips.

3. Magnet Maintenance and Cryogenics. The price of MR systems includes all cryogenics necessary for final assembly and testing of the MR system. Cryogen loss attributable to power loss or water chiller failure for the MR system's shield cooler or condenser system during installation is Customer's responsibility, and Customer will be billed for cryogen replacement plus the associated cryogen transfill labor at GE Healthcare's then applicable rates. After final assembly, Customer will be responsible to supply and install all cryogenics, unless cryogen loss is caused by a defect in material or workmanship within the scope of GE Healthcare's applicable MR system warranty. Following final assembly, provided cryogen boil-off rates have not been adversely affected by actions of Customer, its representatives or contractors, or any third party not authorized by GE Healthcare, GE Healthcare will provide a super-conductive magnet which, at the expiration of the warranty period, has cryogen boil-off rates not exceeding those stated in GE Healthcare's applicable magnet specifications. GE Healthcare has no responsibility to Customer for cryogen boil-off rates subsequent to expiration or termination of the applicable MR system warranty, unless Customer elects to receive magnet maintenance and cryogen service under a separate agreement with GE Healthcare.



Warranty Statement (United States)

GE Healthcare

This GE Healthcare Warranty Statement (United States) supplements and incorporates by reference (i) the GE Healthcare Quotation that identifies the Product offering purchased or licensed by Customer; (ii) the following documents, as applicable, if attached to or referenced in the Quotation: the (a) Warranties and (b) Additional Terms and Conditions; (iii) the GE Healthcare Product Terms and Conditions; and (iv) the GE Healthcare General Terms and Conditions, (collectively, referred to as the "Agreement").

1. Warranted Products. These warranties cover the purchase and use of the following GE Healthcare products:

- Magnetic Resonance
- Computed Tomography
- Mammography
- Positron Emission Tomography (including scanners, cyclotrons & chemistry labs)
- Nuclear
- X-ray
- Surgical Navigation Systems
- Cardiology
- Ultrasound
- Bone Mineral Densitometry
- Physiological Monitoring
- Small Animal Imaging
- C-Arms
- Advantage Workstation and Server
- Anesthesia Delivery
- Respiratory Care
- Gold Seal
- Phototherapy and other infant care accessories
- Microenvironments, including Giraffe®, Panda®, Care Plus® and Ohio® Infant Warmer Systems
- Corometrics® Fetal Monitors

2. GE Healthcare Warranties.

- 2.1 **Scope.** GE Healthcare warrants that its services will be performed by trained individuals in a professional, workman-like manner. GE Healthcare will promptly re-perform any non-conforming services for no charge as long as Customer provides reasonably prompt written notice to GE Healthcare. The foregoing service remedy, together with any remedy provided herein, are Customer's sole and exclusive remedies (and GE Healthcare's sole and exclusive liability) for warranty claims. These exclusive remedies shall not have failed of their essential purpose (as that term is used in the Uniform Commercial Code) as long as GE Healthcare remains willing to repair or replace defective warranted products or re-perform any non-conforming services for no charge, as applicable, within a commercially reasonable time after being notified of Customer's warranty claim. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND DATA ACCURACY, WILL APPLY.
- 2.2 **Term Usage.** "Warranted Product" is a collective term which includes both the above-listed GE Healthcare manufactured equipment and licensed software, with the exception of Healthcare IT Products, purchased by and/or licensed to (as applicable) Customer under the relevant GE Healthcare Quotation.
- 2.3 **Equipment Warranty.** Except as indicated otherwise below, GE Healthcare warrants the equipment will be free from defects in title and that for one (1) year from the Warranty Commencement Date (as defined below) (i) the equipment will be free from defects in material and workmanship under normal use and service and (ii) except for equipment manufactured in compliance with Customer's designs or specifications, the equipment will perform substantially in accordance with GE Healthcare's written technical specifications for the equipment (as such specifications exist on the date the equipment is shipped) (the "Specifications"). This warranty covers both parts and labor and is available only to end-users that purchase the equipment from GE Healthcare or its authorized distributors. Customers purchasing through an authorized distributor must contact GE Healthcare promptly following such purchase to enable this warranty.
- 2.4 **Software Warranty.** Except as indicated otherwise below, GE Healthcare warrants for ninety (90) days from the Warranty Commencement Date that (i) the licensed software will perform substantially in accordance with the applicable Documentation (as defined herein), (ii) it has not inserted any Disabling Code (as defined herein) into the licensed software and (iii) it will use reasonable commercial efforts consistent with industry standards to scan for and remove any software viruses before installation of the applicable Warranted Product. Where an item of equipment has software code embedded in it, the code will only be considered licensed software under this warranty statement if the applicable GE Healthcare Quotation provides a separate part number for that software. Except as indicated otherwise below, GE Healthcare warrants that it has the right to license or sublicense the licensed software to Customer for the purposes and subject to the terms and conditions set forth in the Agreement. As used in this warranty statement, (i) "Disabling Code" means computer code that is designed to delete, interfere with, or disable the normal operation of the Warranted Product; provided, however, that code included in the licensed software that prevents use outside of the license scope purchased for the software will not be deemed to be Disabling Code and (ii) "Documentation" means the GE Healthcare user manuals, on-line help functions, technical specifications and user instructions regarding the operation, installation and use of the software as made available by GE Healthcare to Customer.
- 2.5 **Used Products.** GE Healthcare's (i) Gold Seal Products (certain pre-owned GE Healthcare equipment), (ii) Ultrasound demonstration systems, and (iii) certified pre-owned Bone Mineral Densitometry Products are all provided with GE Healthcare's standard warranties carrying the same duration as the new equipment warranty, but in no event exceeding one (1) year (unless otherwise provided in writing

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by GE Healthcare). Except as expressly provided in this paragraph or in the applicable GE Healthcare Quotation, all other pre-owned, refurbished, remanufactured or demonstration equipment is not warranted by GE Healthcare.

- 2.6 Healthcare IT and GE Brand Specialty Components. GE Healthcare IT Products and GE Brand Specialty Components (Detectors, Probes, X-Ray Tubes and Image Intensifier Tubes) are covered by a separate warranty statement provided in an applicable GE Healthcare Quotation.
- 2.7 Third-Party Software and Equipment. This warranty statement does not cover Third-Party Software and Equipment (as defined herein) delivered with the Warranted Products (commonly identified by NL or NW series numbers in GE Healthcare's Quotation). "Third-Party Software and Equipment" means any non-GE Healthcare software or equipment (i) delivered to Customer in the third-party manufacturer/supplier's packaging and with its labeling or (ii) for which GE Healthcare expressly indicates (either in the GE Healthcare Quotation or in the product documentation) that the software or equipment is provided with the third-party manufacturer/supplier's warranty in lieu of a GE Healthcare warranty. Such products are covered by the third-party manufacturer/supplier's warranties, to the extent available. Anesthesia monitor mounting solutions Third-Party Software and Equipment purchased directly from GE Healthcare will not be treated as Third-Party Software or Equipment.

3. Warranty Commencement. Unless expressly provided otherwise in this warranty statement or the applicable GE Healthcare Quotation, the warranty period begins (the "Warranty Commencement Date") on the earlier of: (i) if GE Healthcare installs the Warranted Product, five (5) days after GE Healthcare notifies Customer that it has completed assembly and the Warranted Product is operating substantially in accordance with GE Healthcare's Specifications; (ii) if GE Healthcare does not install the Warranted Product, five (5) days after delivery of the Warranted Product to Customer; (iii) the date Customer first uses the Warranted Product for patient use; or (iv) if GE Healthcare is contractually required to install the Warranted Product, the thirtieth (30th) day following shipment to the end-user Customer if installation is delayed for reasons beyond GE Healthcare's reasonable control. The warranty period for any Warranted Product or component furnished to correct a warranty failure will be the unexpired term of the warranty applicable to the repaired or replaced Warranted Product.

4. Remedies. If Customer promptly notifies GE Healthcare of Customer's warranty claim during the warranty period and makes the Warranted Product available for service, GE Healthcare will, at its option (i) with respect to equipment, either repair, adjust or replace (with new or exchange replacement parts) the non-conforming Warranted Product or components of the Warranted Product and (ii) with respect to GE Healthcare's licensed software, either correct the non-conformity or replace the applicable licensed software. GE Healthcare may, at its sole discretion and subject to (i) availability; (ii) any applicable regulatory approvals; and (iii) Section 5 of the GE Healthcare General Terms and Conditions, provide Customer with a comparable loaner system during periods of extended service to the Warranted Product. Warranty service will be performed without charge from 8:00am to 5:00pm (local site time), Monday-Friday, excluding GE Healthcare holidays, and outside those hours at GE Healthcare's then prevailing service rates and subject to the availability of personnel. For certain Warranted Products, GE Healthcare will perform warranty service only at an authorized service center or, in some instances, via a secure, remote connection to a GE Healthcare online center. With respect to GE Healthcare's warranty for the services it provides to Customer, Customer's exclusive remedy is set forth in Section 2.1 above.

Warranty claims for the Warranted Products should be directed through GE CARES at 1-800-437-1171. Warranty claims for accessories and supplies items should be directed through 1-800-558-5102.

5. Limitations. GE Healthcare shall not have any obligation to Customer hereunder if the warranty claim results from or arises out of: (a) the use of the Warranted Product in combination with any software, tools, hardware, equipment, supplies, accessories or any other materials or services not furnished by GE Healthcare or recommended in writing by GE Healthcare; (b) the use of the Warranted Product in a manner or environment, or for any purpose, for which GE Healthcare did not design or license it, or in violation of GE Healthcare's recommendations or instructions on use; or (c) any alteration, modification or enhancement of the Warranted Product by Customer or any third party not authorized or approved in writing by GE Healthcare. In addition, this warranty does not cover the Warranted Product to the extent it is used in any country other than the country to which GE Healthcare ships the Warranted Product (unless GE Healthcare expressly agrees otherwise in writing). GE Healthcare does not guarantee that licensed software will operate without error or interruption.

In addition, these warranties do not cover: (i) any defect or deficiency (including failure to conform to Specifications and/or Documentation, as applicable) that results, in whole or in part, from any improper storage or handling, failure to maintain the Warranted Products in the manner described in any applicable instructions or specifications, inadequate back-up or virus protection or any cause external to the Warranted Products or beyond GE Healthcare's reasonable control, including, but not limited to, power failure and failure to keep Customer's site clean and free of dust, sand and other particles or debris; (ii) the payment or reimbursement of any facility costs arising from repair or replacement of the Warranted Products or parts; (iii) any adjustment, such as alignment, calibration, or other normal preventative maintenance required of Customer; (iv) expendable supply items; (v) stockpiling of replacement parts; (vi) any failure of the Warranted Products to use or correctly process dates (other than systemic miscalculations not due to date value format); and (vii) products not listed in GE Healthcare's Accessories and/or Supplies catalogs at the time of sale, and all service manuals are provided AS IS. For network and antenna installations not provided by GE Healthcare or its authorized agent(s), network and antenna system troubleshooting will be billable at GE Healthcare's standard service rates.

For MR systems, these warranties do not cover (i) any defect or deficiency that results, in whole or in part, from failure of any water chiller system supplied by Customer, (ii) service to any water chiller systems supplied by Customer and (iii) for MR systems with LHe/LN or shield cooler configured superconducting magnets (except for MR Systems with LCC magnets), any cryogen supply, cryogenic service or service to the magnet, cryostat, coldhead, shield cooler compressor or superconductive or resistive shim coils unless the need for such supply or service is caused by a defect in material or workmanship covered by these warranties (GE Healthcare's MR Magnet Maintenance and Cryogen Service Agreement is available to provide supplemental coverage during the warranty period).

For Proteus XR/a, Definium and Precision 500D x-ray systems, these warranties do not cover collimator bulbs.

6. Exceptions to GE Healthcare Standard Warranties Described Above.

Partial System Equipment Upgrades for CT, MR, X-Ray, PET (Scanners, Cyclotrons and Chemistry Labs) and Nuclear systems: Six (6) months (warranty applies only to the upgraded components)

Cyclotron and Radiopharmacy: Unless expressly provided otherwise in the applicable GE Healthcare Quotation, the Warranty Commencement Date for Cyclotron and/or Radiopharmacy Products begins on the earlier of (i) three (3) months after the date on which GE Healthcare has completed the mechanical installation, or (ii) the date on which final testing of the Product has been successfully completed. GE Healthcare's sole liability and Customer's exclusive remedy for a breach of warranty is limited to repair, replacement or refund at GE Healthcare's sole option. Any such repairs or replacement will not extend the warranty period.

X-Ray High Voltage Rectifiers and TV Camera Pick-Up Tubes: Six (6) months

X-Ray Portable (Wireless & Tethered) Digital Detectors: Warranty does not cover damage caused by any use that does not conform to OEM guidelines, fire, power failures or surges, or abuse which is defined as use that causes fluid invasion, holes, deep scratches, or the detector case to crack.

FlashPad Wireless Detector: In addition to the standard warranty, GE Healthcare will also provide coverage for detector damage due to accidental dropping or mishandling (e.g., spills). In the event such accidental damage occurs, GE Healthcare shall provide Customer with one (1) replacement detector during the warranty period at no additional charge. If subsequent accidental damage occurs during the warranty period, each additional replacement shall be provided to Customer at a charge of \$30,000 per replacement detector. Warranty coverage for the detector and its components also excludes failures due to detrimental exposure, abuse, theft, loss and/or fire. If the warranty is voided by these conditions, repair or replacement of the detector and/or the components is the Customer's responsibility.

GE OEC New or Exchange Service/Maintenance Parts: Ninety (90) days

GE OEC Refurbished C-Arms: Twelve (12) months after installation

HealthNet Lan, Advantage Review — Remote Products: Ninety (90) days

Vivid T8: Three (3) years parts and labor, includes TEE probes purchased with the Vivid T8

Vivid i, Vivid e, Vivid q, Voluson i, Voluson e and LOGIQBook XP: Standard warranty includes (i) repair services at GE Healthcare service facilities, (ii) three (3) business day turnaround repair time for systems shipped via overnight delivery (where available), measured from the date of shipment (GE Healthcare is not responsible for delays in overnight shipment), (iii) seventy-two (72) hour loaner systems or probe replacement service via Fed Ex (shipping charges included), and (iv) technical support via telephone from 7:00 am to 7:00 pm Central Time, Monday-Friday, excluding GE Healthcare holidays. For an additional charge, GE Healthcare may provide (a) field support/service, (b) preventative maintenance, and/or (c) coverage for system damage due to accidental dropping or mishandling with a maximum of two (2) replacement systems during the term of the warranty.

Vscan, LOGIQ e BT12 and later versions, and Venue 40 and 50 version BT12 and later versions: Supplemental warranty terms and conditions specific to Vscan systems, LOGIQ e BT12 and later version systems, and Venue 40 and 50 version BT12 and later version systems shall be as set forth in the Additional Terms and Conditions and Warranties for Ultrasound & Vscan Products attached to the Quotation.

Ultrasound Partial System Equipment Upgrades: Ninety (90) days (Warranty applies only to the upgraded components. Customer will not be credited the value of this warranty against pre-existing warranties or service agreements).

Bone Mineral Densitometry Partial System Equipment Upgrades: Thirty (30) days (Warranty applies only to the upgraded computer, printer and monitor components. Customer will not be credited the value of this warranty against pre-existing warranties or service agreements).

CARESCAPE Monitors B450, B650 and B850, and Dash: Three (3) years parts and one (1) year labor coverage, excluding displays

B40 Monitors: Two (2) years of parts only coverage, excluding displays, and one (1) year labor with (i) repair services performed at GE Healthcare service facilities; or (ii) onsite repair if deemed necessary by GE Healthcare, during such labor warranty period.

MAC 800, 1200, 1600 and 2000: Three (3) years of parts and labor

CARESCAPE V100 Vital Signs Monitors: Two (2) years parts and labor

Exergen: Four (4) years parts and labor

Batteries: Ninety (90) days, except (i) for LOGIQBook and Vscan batteries, which are warranted for twelve (12) months and (ii) for Nickel cadmium or lead acid batteries for X-ray and mammography systems (which will carry a sixty (60)-month warranty prorated as shown below). For Nickel cadmium or lead acid batteries for X-ray and mammography systems, warranty service will be performed without charge from 8:00 a.m. to 5:00 p.m. (local site time), Monday-Friday, excluding GE Healthcare holidays, and outside those hours at GE Healthcare's then prevailing service rates and subject to the availability of personnel only during the first twelve (12) months of the sixty (60)-month warranty period. For X-ray and mammography systems, if nickel cadmium or lead acid batteries need replacement during their applicable warranty period, Customer will pay the price of the replacement battery in effect on its delivery date less a Pro Rata Credit Allowance (as defined herein). The Pro Rata Credit Allowance for batteries that fail less than twelve (12) months after the warranty begins is one hundred percent (100%). The Pro Rata Credit Allowance for batteries that fail more than twelve (12) months after the warranty begins is:

$$1 - (\# \text{ of Mos. After Warranty Commencement } / 60) \times 100\%$$

For the purpose of Pro Rata Credit Allowance, a fraction of a month less than fifteen (15) days will be disregarded, and a fraction of a month equal to or greater than fifteen (15) days will be regarded as a full month.

Giraffe® Shuttle Batteries: Ninety (90) days

Care Plus® Incubator: Three (3) years parts, one (1) year labor

Ohio® Infant Warmer Systems, Panda® iRes Warmers, Giraffe® Warmer and Giraffe® OmniBed: Seven (7) year parts warranty on heater cal rod

BiliBlanket® Plus High Output Phototherapy System: Two (2) years on Light Box and eighteen (18) months on Fiberoptic Pad

Microenvironment and Phototherapy expendable components, this includes but is not limited to patient probes, probe covers and light bulbs: Thirty (30) days

Corometrics® Fetal Monitoring Systems: Warranty includes: (i) Warranty Commencement at the earlier of (a) if GE Healthcare or Customer installs the Warranted Product, five (5) days after completion of installation of the Warranted Product or (b) forty (40) days after shipment of the Warranted Product; (ii) two (2) years parts, one (1) year labor; and (iii) repair services at GE Healthcare service facilities during labor warranty period or onsite repair if deemed necessary by GE Healthcare.

December 23, 2015**2:46 pm**

Corometrics® Nautilus Transducers: Two (2) years of parts and labor

Oximeters: Three (3) years from installation, or thirty-nine (39) months from GE Healthcare invoice, whichever occurs sooner

Tec 7 Vaporizers: Three (3) years of parts and labor

Tec 6 Plus Vaporizers: Two (2) years of parts and labor

Accessories and Supplies: GE Healthcare's catalog and/or website includes a "Service/Warranty Code" which identifies the installation, warranty, applications and post-warranty service, if any, provided for each accessory and supply product. Following are the warranty periods for accessories and supplies:

Service/Warranty Code T.....	100 Years
Service/Warranty Code V.....	25 Years
Service/Warranty Codes X.....	15 Years
Service/Warranty Code ZZ.....	5 Years
Service/Warranty Codes F.....	3 Years
Service/Warranty Codes D, J, N, O, R or Z.....	2 Years
Service/Warranty Codes A, B, C, E, G, L, P, Q, S or Y.....	1 Year
Service/Warranty Code H.....	6 Months
Service/Warranty Code K.....	3 Months
Service/Warranty Code M.....	1 Month
Service/Warranty Code W.....	Out of Box Failure Only



Warranty Codes For Accessories And Supplies

GE Healthcare

These GE Healthcare Warranty Codes For Accessories and Supplies supplements and incorporates by reference (i) the GE Healthcare Quotation that identifies the Product offering purchased or licensed by Customer; (ii) the following documents, as applicable, if attached to or referenced in the Quotation: the (a) Warranties and (b) Additional Terms and Conditions; (iii) the GE Healthcare Product Terms and Conditions; and (iv) the GE Healthcare General Terms and Conditions, (collectively, referred to as the "Agreement").

Service / Warranty Codes. If Customer promptly notifies GE Healthcare of its warranty claim and makes the Product available for service, GE Healthcare will provide the warranty service indicated in the applicable Service/Warranty Code description. The terms and conditions of GE Healthcare's Warranty Statement(s) apply to all warranty claims. Basic Service Premise for Products – GE Healthcare Field Engineers will take the first call for service and either provide direct support or arrange for support from the manufacturer or its dealers as indicated by the individual Service/Warranty Code. If the Service/Warranty Code calls for Product return for repair or in-warranty exchange, Customer must return the Product as GE Healthcare directs. GE Healthcare provides warranty service from 8:00 AM to 5:00 PM local time Monday-Friday EXCLUDING GE HEALTHCARE HOLIDAYS. If a Service/Warranty Code provides for warranty service to be performed on Customer's site, such service is available outside the above hours at GE Healthcare's prevailing service rates and subject to the availability of personnel.

A GE Healthcare directly, or through a sub-contractor, provides the following:

Installation; parts; on-site warranty service to repair, adjust or replace (at GE Healthcare's option and using new or exchange replacement parts) non-conforming products or parts; applications training in some cases (with additional charge); and post-warranty service, at prevailing hourly billed service ("HBS") rates and, in some cases, under GE Healthcare service contracts.

B GE Healthcare directly provides the following through GE Healthcare's Global Parts Operation (GPO):

New or exchange replacement parts at no charge to correct non-conforming products or parts during the warranty period; new or exchange replacement parts at GE Healthcare's normal prices for post-warranty repairs. **Note:** Installation, applications training and on-site service is the Customer's responsibility. However, GE Healthcare's Field Engineers may be available at prevailing HBS rates. Contact GE CARES for availability.

C GE Healthcare arranges for the third-party Product Manufacturer or its dealers to provide the following:

Installation (in some cases with an additional charge); parts; on-site warranty service to repair, adjust, or replace (at the manufacturer's or dealer's option and using new or exchange replacement parts) non-conforming products or parts; applications training in some cases (some with additional charge); and post-warranty service at prevailing service rates.

D GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Basic functional troubleshooting (no technical labor) with supplier phone support and repair or replacement (at the manufacturer's or dealer's option) of defective products or parts. **Note:** The battery for Service/Warranty Code D has a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

E GE Healthcare directly, or through a sub-contractor, provides:

Installation (in some cases with an additional charge); basic functional troubleshooting (no technical labor) with supplier phone support; and coordination of unit exchange or loaner program for in-factory service.

GE Healthcare arranges for the third-party Product Manufacturer or its dealers to provide in-factory service:

At no charge during the warranty period and at manufacturers or dealer's prevailing service rates outside of the warranty period. Products must be returned to the manufacturer or dealer, at GE Healthcare's expense during warranty and Customer's expense after warranty, for repair.

F GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Basic functional troubleshooting (no technical labor) with supplier phone support and replacement of non-conforming products or parts, which Customer returns to the manufacturer or dealer during the warranty period. **Note:** For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

G, J, O and Q GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Start up and commissioning; basic functional troubleshooting (no technical labor) with supplier phone support 24/7; and warranty service to repair, adjust, or replace (at the manufacturer's or dealer's option) non-conforming products or parts (excluding installation, time and material). **Note:** The UPS battery for Service/Warranty Code G has a 9-year pro-rated warranty to cover non-conforming material. Start up and commissioning for Service/Warranty Code O applies only to 10 KVA and above. The UPS battery for Service/Warranty Codes O and Q has a 1-year warranty to replace the product. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate. Warranty service for Service/Warranty Codes G and O is provided On-site. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.

December 23, 2015**2:46 pm****H, K, L and M GE Healthcare directly provides the following:**

Exchange of non-conforming products, which Customer returns to GE Healthcare during the warranty period. **Note:** *Installation, parts, applications training, and on-site service is the Customer's responsibility.*

N, R and S GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Installation; Preventative Maintenance; and parts and labor. **Note:** *Post-warranty service, at manufacturer's prevailing HBS rates, and in some cases, under GE Healthcare service contracts. The battery for Service/Warranty Code R has a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.*

P GE Healthcare directly provides the following:

Replacement of non-conforming components. **Note:** *Installation, parts, applications training, and on-site service is the Customer's responsibility.*

T, V and X GE Healthcare directly provides the following:

Replacement of Product only; GE Healthcare will not replace patient records; and product is warranted only for image legibility. **Note:** *Installation, parts, applications training, and on-site service is the Customer's responsibility.*

W GE Healthcare directly provides the following:

Replacement of Product only for Out of Box failure. **Note:** *Installation, parts, applications training, and on-site service is the Customer's responsibility.*

Y and Z GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Basic functional troubleshooting (no technical labor) with supplier phone support and replacement of non-conforming components. **Note:** *All electrical components (excluding the UPS) for Service/Warranty Code Z have a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.*

ZZ GE Healthcare refers to the Product Manufacturer warranty, which provides the following:

Basic functional troubleshooting (no technical labor) with supplier phone support and replacement of non-conforming components. **Note:** *The battery for Service/Warranty Code ZZ has a 2-year warranty for stationary applications and a 6-month warranty for mobile application. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.*



Warranty Statement: Uptime Commitment

GE Healthcare

This GE Healthcare Warranty Statement: Uptime Commitment supplements and incorporates by reference the GE Healthcare (i) Quotation that identifies the Product offering purchased or licensed by Customer; (ii) Warranty(ies); (iii) Additional Terms and Conditions; (iv) Product Terms and Conditions; and (v) General Terms and Conditions, (collectively, referred to as the "Agreement". The following provisions will apply only to eligible diagnostic imaging systems as identified in the Quotation ("Eligible Systems") and only during the warranty period:

1. Scope. GE Healthcare will provide Customer with expanded warranty protection for Eligible Systems in consideration of Customer's commitment to provide a broadband network connection to enable GE Healthcare to better provide warranty service for the Eligible Systems during the warranty period.

2. Eligibility. To be eligible for this expanded warranty protection, Customer must: (i) establish (if not previously established) and maintain a broadband network connection at Customer's site that connects to the Eligible System, which broadband connection meets GE Healthcare's minimum specifications, (ii) provide GE Healthcare with access to the Eligible System through Customer's broadband network connection and maintain security for Customer's broadband network connection in accordance with appropriate industry best practices, (iii) provide necessary support to maintain such broadband network connection, including designation of a primary Customer contact person, (iv) provide GE Healthcare with at least two (2) business days advance notice of any planned changes to Customer's network that may impact such broadband connection and with notice of any unplanned changes (e.g., power outages, computer viruses, system crashes) to Customer's network that may impact such broadband connection within two (2) business days after the occurrence of the unplanned changes, (v) reasonably cooperate with GE Healthcare in maintaining such broadband connection during all such planned and unplanned changes, and (vi) use reasonable efforts to ensure that Customer's connection to the Internet and LAN systems operate at a maximum of 75% of capacity and have an uptime rate of at least 98%.

3. Uptime Commitment. If Customer performs these responsibilities, GE Healthcare will provide Customer, at no additional charge and in addition to other remedies available under GE Healthcare's warranty, an uptime commitment of 97% (95% for all covered nuclear imaging systems and all covered X-ray systems except digital mammography, digital radiographic and vascular X-ray systems), and uptime remedies, as described below.

4. Definitions. "Uptime Commitment" means GE Healthcare's commitment on Eligible System uptime during the warranty period, as defined below. "Uptime Remedy" is, in addition to the other remedies specified in the warranty, Customer's sole and exclusive remedy if GE Healthcare fails to meet any Uptime Commitment over a 26-week measurement period during the warranty period. Should the Eligible System fail to achieve the Uptime Commitment as calculated by the Uptime Commitment Calculation, GE Healthcare will provide an extension of Customer's service agreement with GE Healthcare for the Eligible System (or, if Customer has not entered into a service agreement with GE Healthcare, the warranty period for the Eligible System) at no additional charge, as follows:

<u>% < Uptime Commitment</u>	<u>Extension</u>
0	0 weeks
0.1 - 3.0	1 week
3.1 - 8.0	2 weeks
8.1 - 13.0	4 weeks
> 13.0	6 weeks

"Uptime Commitment Calculation" means the calculation used to determine achievement of the Uptime Commitment, as follows: The basis for each measurement period is GE Healthcare's standard warranty service coverage hours of A hours per day, B days per week for 26 weeks, less C hours spent on planned maintenance ("PM") during that interval:

Hours1 = A hours per day X B days per week X 26 weeks

Hours2 = Hours1 - C hours for planned maintenance

Required in-service hours at Customer's % commitment: Hours3 = Hours2 X Customer's %

5. Eligible System. An Eligible System will be considered inoperable and out of service under the Uptime Commitment if, due to GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, the Eligible System is unavailable for scanning patients and diagnosing images on the Eligible System display console or operator's console. Peripheral equipment such as remote consoles, magnetic tape drives, hard copy devices, and multi-format and laser cameras are excluded from the terms of the Uptime Commitment. Repair and adjustments required for anything other than Eligible System failure, and damage or inoperability due to any cause other than GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, will be excluded from the Uptime Commitment Calculation, including without limitation damage through misuse, operator error, inadequate environmental or air conditioning protection, power failure, and acts of God. PM time will not be included in the calculation of downtime. If GE Healthcare's responding representative agrees the Eligible System is inoperable due to GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, the Eligible System will be considered out of service from the time the request for service was received by GE Healthcare until the Eligible System is again turned over to Customer for operation. If Customer fails to give GE Healthcare immediate and unencumbered access to the Eligible System or continues to obtain scans after notifying GE Healthcare of any Eligible System failure, the Eligible System will be considered to be in service.

Exhibit E



American College of Radiology

Magnetic Resonance Imaging Services of

Williamson Medical Center

**4321 Carothers Road
Franklin, Tennessee 37067**

were surveyed by the
Committee on MRI Accreditation of the
Commission on Quality and Safety

The following magnet was approved

General Electric 1.5 HDX TWINSPEED 2001

For

Head, Spine, Body, MSK, MRA

Accredited from:

November 11, 2014 through March 13, 2018

A handwritten signature in cursive script, reading "Anthony J. Sculco, M.D.".

CHAIRMAN, COMMITTEE ON MRI ACCREDITATION

A handwritten signature in cursive script, reading "Paul H. Ellmstrom, M.D.".

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

Exhibit F

SUPPLEMENTAL #1**December 23, 2015****2:46 pm**

CON
 HISTORICAL DATA CHART
 WILLIAMSON MEDICAL CENTER
 FISCAL YEAR JUNE-JULY
 MRI ONLY CHARGES

		FY 2013 3,755	FY 2014 4,102	FY 2015 4,522
A.	<u>UTILIZATION DATA BY FISCAL YEAR</u>			
B.	REVENUE FROM SERVICES TO PATIENTS			
	1 INPATIENT SERVICES	\$996,611	\$791,358	\$1,223,910
	2 OUTPATIENT SERVICES	8,892,550	8,788,945	9,621,011
	3 EMERGENCY SERVICES	683,844	795,998	1,018,043
	4 OTHER OPERATING REVENUE			
	GROSS OPERATING REVENUE	\$10,573,005	\$10,376,301	\$11,862,964
C.	DEDUCTIONS FROM GROSS OPERATING REVENUE			
	1 CONTRACTUAL ADJUSTMENTS	6,845,626	6,894,973	8,392,682
	2 PROVISION FOR CHARITY CARE	146,965	83,010	62,874
	3 PROVISION FOR BAD DEBT	338,336	278,085	296,574
	TOTAL DEDUCTIONS	7,330,927	7,256,068	8,752,130
	NET OPERATING REVENUE	\$3,242,078	\$3,120,233	\$3,110,834
D.	OPERATING EXPENSES			
	1 SALARIES AND WAGES	264,532	269,729	283,818
	2 PHYSICIANS SALARIES AND WAGES			
	3 SUPPLIES	88,078	46,400	49,150
	4 TAXES			
	5 DEPRECIATION			
	6 RENT			
	7 INTEREST, OTHER THAN CAPITAL			
	8 MANAGEMENT FEES			
	A. FEES TO AFFILIATES			
	B. FEES TO NON AFFILIATES			
	9 OTHER EXPENSES	147,968	132,586	150,836
	TOTAL OPERATING EXPENSES	\$500,578	\$448,715	\$483,804
E.	OTHER REVENUE(EXPENSES)-NET			
	NET OPERATING INCOME(LOSS)	\$2,741,500	\$2,671,518	\$2,627,030
F.	CAPITAL EXPENDITURES			
	1 RETIREMENT OF PRINCIPAL			
	2 INTEREST			
	TOTAL CAPITAL EXPENDITURES	0	0	0
	NET OPERATING INCOME(LOSS)			
	LESS CAPITAL EXPENDITURES	\$2,741,500	\$2,671,518	\$2,627,030

SUPPLEMENTAL #1**December 23, 2015****2:46 pm**

OTHER EXPENSES CATEGORIES		2013	2014	2015
1.	PROFESSIONAL FEES			
2.	UTILITIES			
3.	PURCHASED SERVICES		1,560	1,200
4.	REPAIR OF EQUIPMENT	145,334	130,944	144,509
5.	INSURANCE			
6.	BOOKS, DUES AND FEES			
7.	ED AND TRAVEL			
8.	EQUIP LEASES			
9.	COLLECTION FEES			
10.	ADVERTISING			
11.	MINOR EQUIPMENT			
12.	OTHER MISC	2,634	82	5,127
TOTAL OTHER EXPENSES		\$ 147,968	\$ 132,586	\$ 150,836

Exhibit G

December 23, 2015**2:46 pm****PROJECTED DATA CHART**

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in July.

	YEAR 2017	YEAR 2018
A. UTILIZATION DATA -MRI PROCEDURES	2,325	2,450
B. REVENUE FROM SERVICES TO PATIENTS		
1 INPATIENT SERVICES		
2 OUTPATIENT SERVICES	\$6,099,379	\$6,684,395
3 EMERGENCY SERVICES		
4 OTHER OPERATING REVENUE		
GROSS OPERATING REVENUE	\$6,099,379	\$6,684,395
C. DEDUCTIONS FROM GROSS OPERATING REVENUE		
1 CONTRACTUAL ADJUSTMENTS	4,269,565	4,745,920
2 PROVISION FOR CHARITY CARE	32,836	35,986
3 PROVISION FOR BAD DEBT	153,565	168,294
TOTAL DEDUCTIONS	4,455,967	4,950,200
NET OPERATING REVENUE	\$1,643,412	\$1,734,195
D. OPERATING EXPENSES		
1 SALARIES AND WAGES	146,765	151,168
2 PHYSICIANS SALARIES AND WAGES		
3 SUPPLIES	24,679	27,307
4 TAXES		
5 DEPRECIATION	310,000	310,000
6 RENT		
7 INTEREST, OTHER THAN CAPITAL		
8 MANAGEMENT FEES		
A. FEES TO AFFILIATES		
B. FEES TO NON AFFILIATES		
9 OTHER EXPENSES	-	148,251
TOTAL OPERATING EXPENSES	\$481,444	\$636,725
E. OTHER REVENUE(EXPENSES)-NET		
NET OPERATING INCOME(LOSS)	\$1,161,968	\$1,097,469
F. CAPITAL EXPENDITURES		
1 RETIREMENT OF PRINCIPAL		
2 INTEREST		
TOTAL CAPITAL EXPENDITURES	0	0
NET OPERATING INCOME(LOSS)		
LESS CAPITAL EXPENDITURES	\$1,161,968	\$1,097,469

Historical Data – Other Expenses

	Year 2013	Year 2014	Year 2015
1. Professional Fees	\$1,638,942	\$1,561,313	\$2,021,367
2. Utilities	\$2,343,271	\$2,394,308	\$2,534,923
3. Purchased Services	\$6,653,848	\$7,225,517	\$7,820,825
4. Repair of Equipment	\$4,554,031	\$4,867,606	\$5,225,593
5. Insurance	\$1,148,019	\$1,190,984	\$1,171,567
6. Books, Dues Fees	\$568,366	\$516,326	\$571,781
7. Education and Travel	\$174,581	\$193,018	\$236,696
8. Equipment Leases	\$1,859,344	\$1,865,107	\$1,580,856
9. Collection Fees	\$1,190,430	\$1,250,576	\$1,378,885
10. Advertising	\$874,713	\$935,106	\$938,338
11. Minor Equipment	\$385,535	\$504,029	\$515,694
12. Other Miscellaneous	\$2,739,442	\$3,507,500	\$3,591,161
Total	\$24,130,522	\$26,011,390	\$27,587,686

Projected Data – Other Expenses

	Year 2017	Year 2018
1. Professional Fees	N/A	N/A
2. Other Expenses	N/A	N/A
3. Utilities	N/A	N/A
4. Purchased Services	N/A	N/A
5. Repair of Equipment (Service Contracts)	Warranty	\$148,251
6. Management Fees	N/A	N/A
7. Insurance	N/A	N/A
8. Books Dues Fees	N/A	N/A
9. Education and Travel	N/A	N/A
10. Staffing Services Agreement	N/A	N/A
Total		\$148,251

Exhibit H



Official Accreditation Report

Williamson County Hospital District
4321 Carothers Parkway
Franklin, TN 37067-8542

Organization Identification Number: 7830

Evidence of Standards Compliance (45 Day) Submitted: 12/3/2015

Executive Summary

Program(s)
Hospital Accreditation

Submit Date
12/3/2015

Hospital Accreditation :

As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

You will have follow-up in the area(s) indicated below:

- **Measure of Success (MOS)** – A follow-up Measure of Success will occur in four (4) months.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

Requirements for Improvement – Summary

Program	Standard	Level of Compliance
HAP	EC.02.02.01	Compliant
HAP	IC.02.01.01	Compliant
HAP	IC.02.02.01	Compliant
HAP	LS.01.01.01	Compliant
HAP	PC.02.01.03	Compliant
HAP	PC.03.01.03	Compliant
HAP	RC.02.01.01	Compliant
HAP	RC.02.01.03	Compliant

**The Joint Commission
Summary of CMS Findings**

December 23, 2015

2:46 pm

CoP: §482.13 **Tag:** A-0115 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.13 Condition of Participation: Patient's Rights

A hospital must protect and promote each patient's rights.

CoP Standard	Tag	Corresponds to	Deficiency
§482.13(c)(2)	A-0144	HAP - IC.02.01.01/EP1	Compliant

CoP: §482.24 **Tag:** A-0431 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.24 Condition of Participation: Medical Record Services

The hospital must have a medical record service that has administrative responsibility for medical records. A medical record must be maintained for every individual evaluated or treated in the hospital.

CoP Standard	Tag	Corresponds to	Deficiency
§482.24(c)(4) (vi)	A-0467	HAP - RC.02.01.01/EP2	Compliant

CoP: §482.26 **Tag:** A-0528 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.26 Condition of Participation: Radiologic Services

The hospital must maintain, or have available, diagnostic radiologic services. If therapeutic services are also provided, they, as well as the diagnostic services, must meet professionally approved standards for safety and personnel qualifications.

CoP Standard	Tag	Corresponds to	Deficiency
§482.26(b)(1)	A-0536	HAP - EC.02.02.01/EP7	Compliant

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(a)	A-0701	HAP - EC.02.02.01/EP5	Compliant

CoP: §482.42 **Tag:** A-0747 **Deficiency:** Compliant

Corresponds to: HAP

**The Joint Commission
Summary of CMS Findings**

SUPPLEMENTAL #1

December 23, 2015

2:46 pm

Text: §482.42 Condition of Participation: Infection Control

The hospital must provide a sanitary environment to avoid sources and transmission of infections and communicable diseases. There must be an active program for the prevention, control, and investigation of infections and communicable diseases.

CoP Standard	Tag	Corresponds to	Deficiency
§482.42(a)	A-0748	HAP - IC.02.02.01/EP4	Compliant

CoP: §482.51 **Tag:** A-0940 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.51 Condition of Participation: Surgical Services

If the hospital provides surgical services, the services must be well organized and provided in accordance with acceptable standards of practice. If outpatient surgical services are offered the services must be consistent in quality with inpatient care in accordance with the complexity of services offered.

CoP Standard	Tag	Corresponds to	Deficiency
§482.51(b)	A-0951	HAP - IC.02.01.01/EP2, IC.02.02.01/EP2	Compliant
§482.51(b)(6)	A-0959	HAP - RC.02.01.03/EP7	Compliant

Supplemental #2 -Original-

Williamson Medical

CN1512-067

December 29, 2015**10:42 am**

BUTLER | SNOW

December 29, 2015

VIA HAND DELIVERY

Jeff Grimm
HSDA Examiner
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Certificate of Need Application Williamson Medical, CN1512-067
Acquisition of MRI Unit for Hospital's Outpatient Imaging Department

Dear Mr. Grimm:

Responses to the questions in your letter dated December 28, 2015, are below. Please let us know if you need additional information.

1. Section A, Applicant Profile, Item 1 and Item 6

Item 1 - Review of the 12/10/15 published LOI for the Certificate of Need application revealed that the address of the applicant's existing outpatient imaging center is 4601 Carothers Parkway in Franklin in lieu of the 4321 address in Item A. Please clarify. If in error, please revise and submit a replacement page labeled 1-R.

Item 6 - The deed in Attachment A.6 documenting the applicant's ownership of the 5.7 acre property that the existing outpatient imaging center is located on is noted. However, no address appears to be included in the documentation provided. Please confirm the address of the property.

Based on clarification of the outpatient imaging center's address it appears this is a different facility from the provider based outpatient imaging center at 3001 Carothers Parkway approved in Williamson Medical Center, CN0706-051A. Please clarify. If no longer in operation, please discuss developments leading to use of the hospital's outpatient imaging center in this project.

*The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201*

DAN H. ELROD
615.651.6702
dan.elrod@butlersnow.com

T 615.651.6700
F 615.651.6701
www.butlersnow.com

29161362v1

BUTLER SNOW LLP

The responses are noted. Additional clarification pertaining to the address of the proposed additional MRI unit would be appreciated since all Certificate of Need projects must be site-specific. Please revise the address for Item A to reflect 4601 Carothers Lane in Franklin and submit a replacement page labeled 1-R.

Response: *Attached as Exhibit A is a revised page 1-R, with the address of the outpatient imaging center at 4601 Carothers Parkway.*

2. Section B, Project Description, Item II (Executive Summary of the Project)

HSDA Equipment Registry records reflect the applicant has one (1) existing registered 1.5 Tesla MRI unit. However, review of HSDA approved certificate of need projects show approval for 2 MRI units - the fixed MRI unit in CN9110-065A and the additional 1.5 Tesla MRI unit in CN0104-022A located in a small modular building next to the hospital imaging department. Based on the applicant's CON history for MRI, please provide a brief description that offers some background about the changes leading to the hospital's use of only 1 MRI unit. In your response, please also clarify why the modular building MRI in CN0104-022A has not been voluntarily surrendered and returned to HSDA.

The response appears to have omitted discussion of CN0104-022A approved at the August 22, 2001 meeting of the former Health facilities Commission. The approved Certificate of Need that was issued to the hospital on 9/26/2001 reads as follows:

"This Certificate of Need is issued for the acquisition of an additional MRI unit for the performance of inpatient and outpatient diagnostic imaging procedures. The new MRI unit will be a 1.5T wide-bore system housed in an approximate 840 square foot modular building adjacent to the imaging department."

Please expand the response to address those factors that impacted the hospital's decision not to acquire an additional or 2nd MRI unit as approved in CN0104-022A and voluntarily surrender the unimplemented Certificate of Need. In addition, in light of the proposed acquisition of a 2nd MRI unit in this application, CN1512-067, please confirm the hospital's willingness to surrender unimplemented CN0104-022A, if necessary.

Response: *WMC regrets any confusion its initial response may have caused. WMC has researched its records and interviewed individuals who have historical knowledge. Based on this information, WMC has determined that CN9110-065A was implemented for the purpose of replacing a former mobile MRI with a fixed unit. WMC has also determined that CN0104-022A, which involved acquisition of an additional MRI to be located in a modular building, was in fact implemented. However, the older MRI authorized under CN9110-065A was taken out of service after the new MRI was acquired under CN0104-022A. The modular building MRI (CN0104-022A) was moved into the main hospital building in 2007, and that unit is the sole MRI unit currently operated by WMC.*

WMC has not been able to determine with certainty why the older MRI authorized under CN9110-065A was taken out of service, but two outpatient diagnostic centers with MRI were approved for Williamson County in 2001 (Williamson Imaging, LLC, CN0101-005; and Bioimaging of Cool Springs, CN0101-008). WMC's research reveals that its MRI volumes went down after the addition of these facilities to the market. The diminished MRI volumes at WMC likely lead it to conclude that it was not necessary or financially feasible to operate two MRIs, so the older unit was taken out of service.

While WMC has not been able to determine with absolute certainty the circumstances surrounding the decision to take the older MRI out of service, WMC is certain that (1) it has never actually operated 2 MRIs simultaneously and (2) the sole MRI it currently operates is the unit authorized under CN0104-022A. WMC confirms its understanding that any right it may have had to operate an MRI under CN9110-065A no longer exists. WMC is willing to execute any additional documentation the Agency may require to establish that CN9110-065A is void and confers no rights on WMC.

3. Section C, Economic Feasibility, Item 4. (Historical and Projected Data Charts)

Projected Data Chart - Expenses for professional fees for MRI interpretation services by radiologists appear to be missing from the amounts shown in the detail shown on page 25 for Line D.9 of the chart (Other Expenses). Please explain.

If in error, please revise the Projected Data Chart and submit in a replacement page labeled as 25-R. Note: even if there are no projected costs for Management Fees, note as "None" in the revised Projected Data Chart.

The revised Projected Data Chart is noted. Please complete the table below showing the combined utilization and financial performance for the MRI service as a whole with 2 fixed units in operation beginning in 2017.

Financial Measure	MRI Service Year 1 2017	MRI Service Year 2 2018
# MRI Units	2	2
MRI Procedures	4,836	4,993
Gross Operating Revenue	\$12,686,708	\$13,458,824
Average Gross Charge	\$2,623	\$2,728
Net Operating Revenue	\$3,418,298	\$3,491,748
Operating Expenses	\$973,301	\$985,304
Net Operating Income	\$2,444,996	\$2,506,444
NOI as a % of Gross Operating Revenue	19%	23%

Response: *The above chart has been completed as requested.*

Jeff Grimm
December 29, 2015
Page 4

4. Section C, Economic Feasibility, Item 9

Please show the percentages by payor mix for the hospital's MRI service in 2015 and Year 1 of the project by completing the table below.

The table in the response provides the payor mix based on the gross operating revenues of the proposed additional MRI unit. Please complete the table below to illustrate the payor mix for the MRI service as a whole based on the combined projected gross operating revenues of the hospital's existing MRI unit and the additional MRI unit proposed in the application for the outpatient imaging center at 4601 Carothers Lane in Franklin.

Applicant's MRI Service Payor Mix, Year 1

Payor Source	Gross Revenue Year 1	as a % of total Gross Revenue Year 1	Average Gross Charge per MRI procedure Year 1
Medicare	\$5,201,550	41 %	\$2,522
TennCare	\$329,854	3 %	\$2,532
Managed care	\$2,182,114	17 %	\$2,528
Commercial	\$4,529,155	36 %	\$2,641
Self-Pay	\$253,724	2 %	\$2,657
Other	\$190,301	2 %	\$2,560
Total	\$12,686,708	100 %	

Response: *The above chart has been completed as requested.*

Very truly yours,

BUTLER SNOW LLP



Dan H. Elrod

clw
Attachment

Exhibit A

December 29, 2015**10:42 am**1. **Name of Facility, Agency, or Institution**Williamson County Hospital District d/b/a Williamson Medical Center
NameOutpatient Imaging Center at 4601 Carothers Parkway
Street or Route

Williamson

County

Franklin

TN

37067

City

State

Zip Code

2. **Contact Person Available for Responses to Questions**

Julie Miller

Name

Chief Operating Officer

Title

Williamson Medical Center

Company Name

jmiller@wmed.org

Email address

4321 Carothers Parkway

Street or Route

Franklin

City

TN

State

37067

Zip Code

Chief Operating Officer

Association with Owner

615-435-5162

Phone Number

615-435-7303

Fax Number

3. **Owner of the Facility, Agency or Institution**

Williamson County, Tennessee

Name

615-790-5700

Phone Number

1320 West Main Street

Street or Route

Williamson

County

Franklin

TN

37064

City

State

Zip Code

4. **Type of Ownership of Control (Check One)**

A. Sole Proprietorship

B. Partnership

C. Limited Partnership

D. Corporation (For Profit)

E. Corporation (Not-for-Profit)

F. Government (State of TN or
Political Subdivision)

G. Joint Venture

H. Limited Liability Company

I. Other (Specify)

X

Private Act attached as
Attachment A.4.**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

December 29, 2015**10:42 am****AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DavidsonNAME OF FACILITY: Williamson Medical Center

I, Dan Elrod, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

[Signature]
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 29th day of Dec., 2015,
witness my hand at office in the County of Davidson, State of Tennessee.

[Signature]
NOTARY PUBLIC

My commission expires Sept. 10, 2018.

HF-0043

Revised 7/02

